

ESTIMATES COMMITTEE
1957-58

MINUTES

(SECOND LOK SABHA)

Vol. I No. 2

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लोकसभा

LOK SABHA SECRETARIAT
NEW DELHI

May, 1958

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CORRIGENDA

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- Page 4, para 8, line 6 - *for* 'ment' *read* 'met'.
- Page 5, para 13, line 6 - *for* 'every body's' *read* 'everybody's'.
- Page 5, para 16, line 10 *for* 'admission' *read* 'admissions'.
- Page 7, para 1, line 15 *between* the words 'from' and 'American' *insert* the word 'an'.
- Page 11, para 13, line 5 *for* 'principle' *read* 'principal'.
- Page 15, para 7, line 8 *after* the word 'under' *insert* the oblique mark '/'.
- Page 22, para 36, line 7 - *put* the words 'time and motion' within inverted commas.
- Page 25, - under the heading 'Secretariat' *for* 'Shrimati' *read* 'Shirali'.
- Page 26, second para under the heading 'Agreement with the A T E', line 5 - *for* 'singnal' *read* 'signal'.
- Page 27, para under the heading 'Telephone Development Fund' line 4 - *for* 'along' *read* 'a long'.
- Page 29 first para under the heading 'Measures for reducing cost of production', line 3 - *after* the word 'pointed' *insert* the word 'out'.

P.T.O.

Page 30, line 3 - *for* 'oBth *read* 'Both'.

Page 30, last line *for* 'encouranging' *read* 'encouraging'.

Page 33, first para under the heading Disposal for planning of additional factories', line 3 *for* tressed' *read* 'stressed'.

Page 34 line 2 *for* 'become' *read* became'.

Page 51, para 31 line 3 *for* advantage' *read* 'advantages'.

Page 68, para 13 line 11 *for* htat' *read* "that'.

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P R E F A C E

This volume contains the Minutes of the Eighteenth to the Thirty-first sittings of the Estimates Committee relating to the examination of the estimates of the Ministries of Education and Scientific Research, and Finance and the Indian Telephone Industries Private Ltd., Bangalore. The remaining Minutes will be published in the subsequent volume.

NEW DELHI-I,
The 19th May, 1958.

M. N. KAUL,
Secretary,

MEMBERS OF THE ESTIMATES COMMITTEE 1957-58

1. Shri Balvantray Gopaljee Mehta—*Chairman*.
2. Shri S. A. Dange
3. Shri Jogendra Singh
4. Shri Mahavir Tyagi
5. Shri Satyendra Narayan Sinha
6. Shri Radha Charan Sharma
7. Shri Ranbir Singh Chaudhuri
8. Shri Gopalrao Khedkar
9. Shrimati Sucheta Kripalani
10. Shri R. R. Morarka
11. Shri M. Thirumala Rao
12. Shri J. Rameshwar Rao
13. Shri C. R. Narasimhan
14. Shri Amjad Ali
15. Shri R. Ramanathan Chettiar
16. Shri Ahmed Mohiuddin
17. Shrimati Renuka Ray
18. Shri Uma Charan Patnaik
19. Shri Raghubir Sahai
20. Pandit Dwarka Nath Tiwary
21. Shri Govind Malaviya
22. Shri R. L. Jangde
23. Shri N. C. Kasliwal
24. Shri Dodda Thimmaiah
25. Shri M. L. Dwivedi
26. Shri A. E. T. Barrow
27. Shri V. P. Nayar
28. Shri R. K. Khadilkar
29. Shri B. K. Gaikwad
30. Shri Shraddhakar Supakar.

SECRETARIAT

- Shri S. L. Shakti—*Joint Secretary*
Shri H. N. Trivedi—*Deputy Secretary*
Shri A. R. Shirali—*Deputy Secretary*
Shri C. S. Swaminathan—*Under Secretary*
Shri R. P. Kaushik—*Under Secretary.*

XVIII
EIGHTEENTH SITTING

14th December, 1957

The Committee sat from 15.00 to 16.45 hours

PRESENT

1. Shri Balvantray Gopaljee Mehta—*Chairman.*

Members

2. Shri Mahavir Tyagi.
3. Shri Radha Charan Sharma.
4. Shri Satyendra Narayan Sinha.
5. Shri Ranbir Singh Chaudhuri.
6. Shrimati Sucheta Kripalani.
7. Shri R. R. Morarka.
8. Shri J. Rameshwar Rao.
9. Shri R. Ramanathan Chettiar.
10. Shri Ahmed Mohiuddin.
11. Shri Raghubir Sahai.
12. Pandit Dwarka Nath Tiwary.
13. Shri R. L. Jangde.
14. Shri N. C. Kasliwal.
15. Shri M. L. Dwivedi.
16. Shri R. K. Khadilkar.
17. Shri Shraddhakar Supakar.

SECRETARIAT

Shri H. N. Trivedi—*Deputy Secretary.*

NON-OFFICIAL WITNESS

Acharya J. B. Kripalani.

The Committee examined Acharya J. B. Kripalani on the subject of Basic Education.

Expansion of Basic Education

2. Asked whether he considered that necessary atmosphere existed in the country for the expansion of Basic Education on a large scale, the witness stated that it was a very poor atmosphere in the country. On being asked to suggest measures which would create an

atmosphere helpful for the expansion of basic education, the witness made the following suggestions:—

- (a) All Ministers, all the leading people, at least in the Congress who were supposed to believe in basic education and all those who were connected with education in any sphere should send their children to basic schools.
- (b) One of the things Government should insist upon when giving aid to Schools, and training institutions should be that those connected with such schools and institutions should send all their children to basic schools.
- (c) The Central Education Ministry must take up propaganda works explaining the scientific scope of Basic Education, how it would help the country, how it would help the building up of national character, how it would help the building up of good citizens and how it would help in making them practical from every point of view.

History of Basic Education

3. The witness then referred to the history of Basic Education. He explained that basic education was introduced by Gandhiji—the idea and the conception. Then Mr. Sargent drew up a scheme of Primary Education and called it Basic Education. Then there was Dr. Sampurnanand in U.P. who called his system as Basic Education. In the opinion of the witness, there could be no other definition than the one Gandhiji gave. He further stated that Gandhiji's idea of this education was based on democracy, democracy not as a form of Government, but as a way of life. According to democratic way of life, there could not be two sorts of education, one for the rich and another for the poor, or one for rural areas and another for urban areas. He added that Basic education was the most scientific and up-to-date method of education.

Uniformity of Standards in Basic Schools

4. Asked what should be done to bring about uniformity in basic schools of different and varying degrees that existed at present, the witness stated that first of all it was necessary to have a clear direction and then it must be seen that whatever good schools there were, should go on with the expected standard. The standard should not be lowered but the schools which were below the standard should be raised upto the standard. He was of the view that there should be a graded programme before the schools leading to the ideal of basic education. Explaining the meaning of graded programme, he stated that the programme might be degraded or lowered down towards the fixed direction if necessary. If there was scarcity of trained teachers who could not correlate education with craft, education might be correlated with physical environments, social environments and self-management of schools. He went on to say that if

the programme was towards the requisite direction, it did not matter whether there were schools of lesser quality also.

He also expressed the view that the present system of education so far as it related to primary and secondary education was hopeless and that the present primary education in the country was the cheapest in the world.

Basic Education in Rural Areas

5. Asked whether in his opinion, the system and standard of Basic Education as prevailing at present in rural areas was satisfactory, the witness stated that Basic Education was at present being followed only symbolically as planting of trees or the children's day, and that what was being done under the name of Basic Education was merely a symbolical homage to Gandhiji. Replying to another question, the witness stated that there were some good basic schools in Bihar and further that the basic school in Sevagram was an ideal one.

Role of the Central Ministry in the Development of Basic Education

6. The Committee wished to know what should be the role of the Ministry of Education and Scientific Research in the development of basic education. The witness suggested that a Committee consisting of the people in charge of education in States with some experts in Basic Education might be appointed to guide the States in the matter of basic education and producing literature.

Articles produced by Basic Schools

7. Asked to offer his suggestions to improve the quality of work done by pupils in basic schools, the witness stated that Gandhiji emphasised it frequently that the work that was done in a craft must be carefully done. If it was carefully done, it must have a value in sale or value in use otherwise it meant that the work was not properly done under proper guidance. The witness saw no reason why the product of the children should not sell, and was of the view that if the product of the children was marked "This is made by children" it would sell all right even if it was a little inferior. The witness observed that the whole essence of Basic Education was that the craft work must be done with care and with proper knowledge, otherwise it would be defective education.

Replying to a question, the witness expressed the view that there was no need for any separate emporium to sell the articles produced by Basic Schools. He, however, suggested that a corner might be set apart for the purpose marked 'Children's work' in the existing emporia. Besides, there were many Khadi Bhandars where it could be displayed as Children's work. Suitable posters, like 'Please purchase, it is made by children', might also be put up to encourage

children. Many of the articles could go towards the utilisation in the school itself on the basis of self-sufficiency. The parents of the children would also like to have the products of their children in their homes. The witness was of the opinion that there would be no difficulty about disposing of goods made by the children.

Expenses of Schools

8. The witness expressed the view that if the work was carefully done by children, it should be able to meet the salaries of teachers. He informed the Committee that in Sevagram more than 50% of the expenses of the school were perhaps defrayed by the work that was done in the school. In some schools, even 75% of the expenses was met out of the work done. In any case, if the work was meticulously done, it would be a substantial amount added to primary education in the total educational budget of a province.

Opening of New Schools

9. The Committee wished to know whether in view of the fact that Basic Education had been accepted as the pattern of National Education, it would be advisable to suggest that all new primary schools should invariably be of the basic pattern. The witness replied in the affirmative and added that the existing schools also should be changed into basic schools.

Women's Education in Rural Areas

10. Asked to suggest steps for the progress of Women's Education, especially in rural areas, the witness stated that effort should be made to train women from the rural areas and that women from urban areas only should not be relied upon to work as teachers.

Future Development of Basic Education

11. The Committee invited the views of the witness on the school of thought, according to which, in view of the way in which the experiment of basic education was going on, the real basic education would not be introduced in this country in the near future. The witness stated that the question posed was a big one, because it had not only reference to educational aspect but it had also reference to the whole public life. He expressed the view that a very powerful new element which was convinced of the ideas of basic education should be introduced in the Administration.

12. Asked whether something could not be done with regard to basic education on the same basis as was done with regard to Khadi and *Gramodhyog* movements, that was, creation of an autonomous body, the witness stated that a Board could be set up for the purpose. But he added that in that case both basic and post-basic education had to be put under a separate administration. There could be a Director of Public Instruction with a Deputy Director and other staff who could manage this basic education.

13. The Committee observed that one of the difficulties in the development of basic education was that the basic educational school did not find an opening for the next higher studies. The witness expressed the view that was not a very great difficulty because education of the basic schools must end there. He stated that in European countries every body's education ended with Matriculation. He was further of the view that if there were competitive examinations, they would ensure that only those persons who were required in particular fields were actually admitted for higher studies.

14. The Committee observed that Nai Talimi Sangh which had agencies all over the country might be entrusted with the task of bringing out the necessary basic school teachers. If such centres where advanced training was given to persons could be multiplied, they would possibly be able to work in educational colleges in the States as Directors, Inspectors etc.

15. The Committee further observed that the Basic Education intensive areas should be established and developed.

University Education

16. The Committee then invited the views of the witness on University Education. The witness stated that at present emphasis was laid more on the Arts side which should not be the case.

He was of the view that Arts Colleges should not be increased at all and that in future only Science and Technological Colleges should be established. Further, he added that higher education should be given to those who came through competitive examinations. He was also of the view that all educational institutions, whether Government or private, should be regulated by Government as far as the admission were concerned.

Secondary Education

17. As regards Secondary Education, the witness expressed the view that it must come up to such a standard that people might be able to educate themselves afterwards. Further, universities should organise extension lectures for those who were not in a position to continue university education, but were still desirous of acquiring further knowledge in particular fields.

The Committee then adjourned at 16.45 hours.

XIX

NINETEENTH SITTING

16th December, 1957

The Committee sat from 15-00 to 17-00 hours.

PRESENT

1. Shri Balvantray Gopaljee Mehta—*Chairman*.

Members

2. Shri Satyendra Narayan Sinha
3. Shri Ranbir Singh Chaudhuri
4. Shri M. Thirumala Rao
5. Shri R. Ramanathan Chettiar
6. Shri Ahmed Mohiuddin
7. Shrimati Renuka Ray
8. Shri Uma Charan Patnaik.
9. Shri Raghubir Sahai.
10. Shri R. L. Jangle.
11. Shri N. C. Kasliwal.
12. Shri M. L. Dwivedi.
13. Shri Shraddhakar Supakar.

SECRETARIAT

Shri A. R. Shirali—*Deputy Secretary*.

OFFICIAL WITNESSES

1. Shri B. N. Jha, I.C.S., *Secretary of Transport and Communications*.
2. Shri T. R. Mantan, *Dy. Secretary, Min. of Trans. & Comm.*
3. Shri R. C. Vaish, *Chief Engineer, P. & T.*
- Shri P. M. Aggarwala, *Chief Engineer (Planning), P. & T.*
5. Shri Jagdeesh Persad, *Managing Director, I. T. I.*
6. Shri V. T. Srinivasan, *Finance and Accounting Manager, I. T. I.*

INDIAN TELEPHONE INDUSTRIES (P) LTD. BANGALORE

1. Agreement entered into by the Government of India with the Automatic Telephone and Electric Co. (U.K.) for the establishment of a Telephone Factory in India

In regard to the agreement entered into by the Government of India with the A.T.E. in 1948 for the establishment of a telephone industry in the country, the representative of the Ministry of Transport and Communications (Department of Communications) stated that global tenders were not invited in this case as there was no question of making purchases or any stores or equipment and the idea was to enter into an agreement for developing the manufacture of telephone equipment and the setting up of a telephone factory in India. For this purpose, a technical Officer of the P&T Department was sent abroad to contact the leading manufacturers of telephone equipment. In all, four offers were made to him—3 in Europe and one in the U.K. One offer from American firm was also stated to have been received by the Ministry at a later stage in Delhi.

2. Out of these five offers, only two offers—one from the British firm (A.T.E.) and the other from the Swiss firm were considered as the terms of other firms were not considered suitable since they did not agree to supply equipment immediately. When asked about the details of the offers made by the British and Swiss firms, the representative of the Ministry stated that originally the Swiss firm had demanded a payment of Rs. 23 lakhs during the period of 15 years against Rs. 87 lakhs demanded by the British firm. Negotiations were, therefore, started with the Swiss firm by a team of two officers sent by the Government of India to Switzerland for the purpose. In Switzerland, however, this team found that the Swiss firm went back completely on its original terms and put forward revised terms which involved besides a cash payment of Rs. 146 lakhs for a period of 15 years as royalty, an obligation to place orders for a specified large number of equipment. These terms did not compare favourably with the terms offered by the A.T.E. Negotiations with the Swiss firm, therefore, reached a deadlock. At that stage, the representative of the Ministry added, a Director of the British firm (A.T.E.) which had also made an offer was sent for from U.K. and negotiations entered into with him in Switzerland but without breaking off negotiations with the Swiss firm. As a result, an agreement was arrived at in Switzerland with the A.T.E. The A.T.E. was preferred because of the following factors:—

- (i) The terms offered by the A.T.E. were more favourable.
- (ii) Sterling expenditure was preferred to expenditure in dollars—hard currency.
- (iii) Almost all the telephone equipment at that time in use in India was of the British pattern.

3. The Committee then wanted to know whether the draft agreement with the A.T.E. was (i) examined in the Ministries of Finance and Law; and (ii) got approved by the Cabinet before it was signed in Switzerland. In reply, the representative of the Ministry stated that the agreement was examined in the Ministries of Finance and Law, who did not then make any comments. As regards the Cabinet's approval to the draft agreement, attention of the Committee was drawn to the answer given to a question on this subject in the late Constituent Assembly of India on the 1st September, 1948 by the then Minister for Communications who had stated that the Agreement was placed before the Cabinet and was unanimously approved by them. The approval of Cabinet was stated to have been communicated to the Ministry of Communications through a note. This approval of the Cabinet, it was further added, was communicated to the Indian Minister in Switzerland by a cable and the agreement was signed there on 3rd May, 1948. During the course of discussion, it also transpired that the then Secretary of the Ministry, who negotiated the agreement had since retired from I.C.S. and was now employed by the I.L.O.

4. In reply to an enquiry whether the technical Committee sent to U.K. later found that the A.T.E. was not experienced in the manufacture of transmission and carrier equipment, the Committee were informed that this technical Committee was sent to U.K. for preparation of various schedules of equipment which was to be supplied by the A.T.E. In this connection the representative of the Ministry explained that though the carrier equipment was not included in the beginning, a procedure had been laid down in a subsequent letter under which this was to be included in the schedule after a satisfactory field trial.

5. The Committee then wanted to know the dates of the various stages when the agreement with the A.T.E. was negotiated. The representative of the Ministry, promised to furnish the following information after looking into the records:—

- (i) Date—when the technical officer went to U.K. and made investigations during the course of which he received various offers and for the period during which he remained abroad.
- (ii) Date—when he reported the terms of various offers received by him to the Government of India.
- (iii) Date—of Cabinet decision to finalise negotiations with the Swiss firm.
- (iv) Date—when the then Secretary to the Ministry of Communications went to Switzerland following a deadlock in the negotiations with the Swiss firm.

- (v) Date—when the Secretary returned to India and put up a note to the Cabinet for approval of the draft Agreement with the A.T.E.

6. When asked whether any Project Report was got prepared by the A.T.E., the representative of the Ministry stated that though it would have been desirable to have such a Project Report, it was not prepared in this case possibly because it was thought that an assessment of the finances required would be possible without a Project Report. The matter, he further said, was, however, placed before the then Standing Finance Committee who sanctioned the money and accordingly funds were made available.

7. Extent of restrictions in the Agreement in regard to the development of markets abroad and obtaining licenses and patent rights from manufacturing Concerns other than A.T.E.

The Managing Director, I.T.I. stated that this question of exports had really come up only recently consequent upon a substantial reduction made by the P&T Department in their requirements. At present, about 10% of the production was stated to be surplus which could be exported. The Managing Director further stated that although the Agreement placed before some territorial restrictions on the I.T.I. in the matter of export, the A.T.E. had given them permission to find export markets in Egypt, Afghanistan and other countries for a limited period. As regards Malaya, it was stated that the A.T.E. might not give such permission since British manufacturers were already established there. In this connection, he also, pointed out that in the matter of exports, besides the restrictions placed by the Agreement, the I.T.I. had to face difficulties in the matter of competition with other manufacturers who were prepared to subsidise their export. As a result, the quotations of I.T.I. were high as compared to other manufacturers specially from West Germany. The Managing Director, however, assured the Committee that they were continuously trying to persuade the A.T.E. to give permission to market their goods to some more countries and after five years when the present agreement terminated, they would be quite free to export their goods to any country where they found the market.

8. When asked whether it could have been possible to restrict the agreement for the supply of technical 'know-how' only irrespective of whether such 'know-how' involved the use of A.T.E.'s patents or not, the Managing Director said that it was not possible since in the absence of patents, the production could not be branded. Elucidating this, he said that so far they had utilised 3/4th of the patents vested in the A.T.E. and they hoped to utilise the rest by 1963, the year when the Agreement with that Company would terminate.

9. Supply of equipment by the A.T.E. and its claim for additional payments

The Committee were informed that the manufacture of carrier and transmission equipment by the I.T.I. was included in the original agreement. To explain the matter further, the representative of the Ministry stated that the expression 'Telephone' was defined in the Agreement itself and this term *inter alia* included current carrier equipment etc. Hence there was neither any supplementary agreement entered into with the A.T.E. nor any extra payments made for the purpose. He was, therefore, of the opinion that the letter exchanged with the A.T.E. in 1951 purported to have the effect of an agreement with that firm for obtaining manufacturing information on the open wire 12 channel carrier systems.

When asked whether there had been any delays in the supply of any equipment or technical know-how by the A.T.E., the representative of the Ministry informed the Committee that there had been some delays but that after discussion the position had improved slightly.

10. As regards the claim of A.T.E. for £4422/- stated to have been pressed by them, the Committee were informed that it was for some expenses which the I.T.I. had objected to. The matter was reported to have been referred to the Auditors of the Company for certification and if it was not agreed, they would have to go to arbitration.

11. Payment of cost of equipment supplied by the A.T.E.

When questioned whether the provision for linking the prices of equipment supplied by the A.T.E. with the B. P. O. prices worked satisfactorily, the representative of the Ministry replied in affirmative. The B.P.O., he added, had a contingent of qualified cost accountants and also provided facilities for making an on-the-spot cost-check. In reply to a question as to why an officer of the Ministry of Communications could not go there for checking up the prices, the representative of the Ministry stated that the B.P.O. objected to it on the ground that secrets regarding the cost would be leaked out which the A.T.E. and other four concerns of U.K. did not approve.

12. Import of Equipment

When asked, what were the essential equipments which were, at present, being imported by the I.T.I. the Managing Director stated that still about 40% of the material especially copper, had to be imported. He, however, expressed the opinion that before long I.T.I. would be independent of A.T.E. as efforts were being made to procure supplies of certain items indigenously from the B.E.L. and other private parties wherever possible.

13. Organisational Set-up

The Committee wanted to know as to what extent the responsibilities of the Chief Engineer, P&T as a Member of the Board of Directors of the I.T.I. were consistent with the responsibilities in regard to his position as the principle buyer of the products of I.T.I. Explaining this, the Chief Engineer, P&T stated that his membership of the Board of Directors of I.T.I. had been much useful and there had been no occasion for him to disagree or refrain from voting.

14. In the course of the discussion it also transpired that there had been no occasions when the production programme of the I.T.I. had to be specially approved by the Government as the production programme was formulated only after thorough discussions at the meetings of the Board of Directors and taking into account the requirements of the P&T Department.

15. Board of Management

The Committee then wanted to know whether there was any Board of Management in the I.T.I. Replying in negative, the Managing Director, I.T.I. stated that they did not feel the need of having any such Board since they followed a method of holding weekly consultations with the Heads of the Department on different matters which helped him in reaching a decision.

16. About the powers of the Board of Directors, the Committee were informed that they were quite satisfactory except that the Managing Director should also have the powers to send persons abroad to develop business relations. Intervening, the representative of the Ministry stated that they could not allow this power to be exercised by the Managing Director since it involved foreign exchange in regard to which the Ministry of Finance had placed certain restrictions. The Managing Director, I.T.I., however, agreed with the Committee that the question of setting up a Board of Management on the lines of the one existing in H.A.L. Bangalore was worth considering.

The Committee then adjourned till 10·00 hours on 17-12-1957.

XX and XXI

TWENTIETH AND TWENTY-FIRST SITTINGS

17th December, 1957

The Committee sat from 10-00 to 11:00 hours and from 15-00 to 18:00 hours.

PRESENT

1. Shri Balvantray G. Mehta—*Chairman*

Members

2. Shri Satyendra Narayan Sinha*
3. Shri Ranbir Singh Chaudhuri*
4. Shri R. R. Morarka*
5. Shri M. Thirumala Rao*
6. Shri Amjad Ali**
7. Shri R. Ramanathan Chettiar
8. Shri Ahmed Mohiuddin
9. Shrimati Renuka Ray
10. Shri Uma Charan Patnaik
11. Shri R. L. Jangde
12. Shri N. C. Kasliwal*
13. Shri Dodda Thimmaiah
14. Shri M. L. Dwivedi
15. Shri R. K. Khadilkar
16. Shri Shraddhakar Suparkar*

SECRETARIAT

Shri A. R. Shirali—*Deputy Secretary.*

WITNESSES

Ministry of Transport and Communications (Department of Communications)

1. Shri B. N. Jha, I. C. S.—*Secretary*
2. Shri T. R. Mantan—*Deputy Secretary*
3. Shri K. K. Unni—*Under Secretary.*

*Attended the forenoon Session only.

**Attended the afternoon Session only.

D.G.P & T

1. Shri R. C. Vaish—*Chief Engineer*
2. Shri P. M. Aggarwala—*Chief Engineer (Planning)*.
3. Shri N. V. Shenoi—*Deputy Chief Engineer.*

Ministry of Finance

1. Shri S. Visvanathan—*Deputy Secretary.*

Indian Telephone Industries (P) Ltd., Bangalore

1. Shri Jagdeesh Persad—*Managing Director*
2. Shri V. T. Sreenivasan—*Financial & Accounting Manager*
3. Shri V. C. Rangadurai—*Chief Cost Accountant.*

Indian Telephone Industries (P) Ltd., Bangalore**Financial Power of the Managing Director**

The Committee resumed consideration of the estimates relating to the I. T. I. (P) Ltd., and wanted to know about the financial powers of the Managing Director. In reply, the Managing Director stated that once the Annual Budget of the I. T. I. was approved by the Board of Directors, he had full powers to operate on it. With regard to the Revenue Budget, there were no restrictions on his powers except that it required the previous approval of the Board. As regards the control exercised by the Finance Ministry, the Managing Director stated that a Senior Officer of that Ministry was on the Board of Directors.

Raising of Loans by the I. T. I.

2. The Committee then desired to know whether the I.T.I. could raise loans from sources other than Government. The Managing Director stated that they could do so with the approval of the Government of India. As regards the funds provided for in the Second Five Year Plan for the development of the I. T. I., the Committee were informed that they were getting them from the Government of India according to the schedule and they had not so far experienced any difficulty or delay in the matter.

Constitution of the Board of Management in the I. T. I.

3. Referring to the division of work between the General Manager and Manager, I.T.I., the Committee wanted to know whether it would not be a satisfactory arrangement to have the heads of various Departments of the I. T. I. functioning directly under the Managing Director. The Managing Director pleaded that since it would be very difficult for him to co-ordinate the work of ten to twelve Heads of Departments the division of work between two, three senior officers i.e., the General Manager, Manager and Finance and Accounting Manager was, therefore, quite necessary. The Committee, however, pointed out that since there were only 10 to 12 Heads of Departments, it should be possible for the Managing Director to

co-ordinate their work without having any intermediary but through a Board of Management consisting of all Departmental Heads with himself as the Chairman which could discuss all important matters including co-ordination. When asked to express his opinion on the subject, the Secretary of the Ministry (Department of Communications) — (who is also the Chairman of the Board of Directors of I.T.I. stated that the so-called Heads of Departments were only incharge of the various shops etc. and really the Heads of the Departments were the General Manager, Manager and F. & A. Manager etc. who should be associated with the Board of Management. But on being pointed out that it would be better to have heads of shops rather than having the bigger heads only on the Management Board, the Secretary of the Ministry stated that this matter could be examined by the Board of Directors and then by the Ministry.

Working of the Sales Section of the I. T. I.

4. On being asked what special purpose the Sales Section as also the participation by the I. T. I. in the exhibitions etc. served when about 90% of the sales of the I.T.I. were made to the P. & T. Department, the Managing Director stated that the Sales Department had to look after many jobs till an enquiry materialised into an order e.g., attending to all enquiries, settlement of outstanding points, arrangement for despatch of goods, valuing of invoices and work *re*: custom clearance, insurance and sale of scrap etc. As regards exhibition, he said that besides sales, it had the advantage of educating people here and abroad about the goods manufactured by the I. T. I. When asked whether it could be done by some other Department, the Managing Director explained that it would be better to have a separate Department in the I. T. I. itself to handle all enquiries and sales which could conduct all correspondence right from the beginning till the sale was finally transacted. He further stated that this work could not be done by the Agents since they demanded 25% Commission which they could not give, as the amount of sales by I.T.I. amounted to about 10% only.

Deputation of P. & T. Officers to the I.T.I.

5. The Committee then desired to know as to how the G.M., Manager and Works Manager were on the same scale of pay. Replying, the Secretary stated that since they were borrowed Officers from the D. G., P & T their terms of appointment were regulated according to the rules of deputation under the Fundamental Rules and Supplementary Rules. Elucidating the matter further, he said that when the present Manager and Works Manager joined the I. T. I. they were then drawing pay in lower scale but after their promotion in their own Department they began to draw pay in the higher scale which the General Manager was drawing, when he joined the I.T.I. In reply to a question, it was stated that these borrowed officers could not be reverted to the P. & T. Department as it would mean dislocation of the whole work. The Committee then desired to be furnish-

ed with a statement showing the particulars of officers on deputation to the I. T. I. from the D. G., P & T and other Departments, the pay drawn by them in their parent Departments *vis-a-vis* that drawn in the I. T. I. and the various facilities given to them by the Company.

6. On a suggestion being made by the Committee that the I. T. I. should become an independent unit rather than depend on borrowed personnel, the Secretary to the Ministry stated that they were arranging to get suitable personnel and it was quite possible that in few years' time, the posts like Managing Director and others would be filled up by their own people who were at present working in the factory.

Branches of the I. T. I.

7. The Committee were informed that taken as a whole, each Branch of the I. T. I. was self-supporting except that in regard to the additional work that these Branches had to do regarding customs clearance, processing of indents for supply of stores and other correspondence for which they did not get any extra payment. When asked whether separate accounts were kept for each Branch, the Committee were informed that no such separate accounts were being kept and overhead charges were allocated according to each unit, under over absorption being taken into account while compiling the accounts. As regards the justification of maintaining the London Branch, the Managing Director stated that this Branch which at present had only one officer and two clerks would have to be continued till the agreement was terminated with the A.T.E.

Maintenance by the P.&T. Department of P.A.Xs installed by the I.T.I.

8. The Committee enquired whether the work of maintenance of P. A. Xs etc. at present being looked after by Branches of the I. T. I. at Calcutta, Bombay and Madras could not be attended to by the P & T Department. Explaining, the Managing Director stated that according to the common commercial practice, sale should be followed by service and the P & T had no Organisation of their own for effecting sales. On the point being pressed by the Committee further the Chief Engineer, P. & T stated that this work could be looked after by the P. & T. Department by increasing the staff. When asked whether it would be economical, the Chief Engineer, P & T stated that he would look into the matter in detail and submit a note to the Committee.

Functions of the Technical Advisory and Production Committee

9. As regards functions of the Technical Advisory Committee and the Production Co-ordination Committee, the Committee wanted to know whether they performed any overlapping functions. In reply, the Managing Director stated that the two Committees had quite distinct functions to perform and as a result of the labour of these Committees, things had improved much in the matter of maintaining effective co-ordination between the Production programme and the

users' requirements. On a suggestion being made by the Committee for having one Co-ordination Committee with Sub-Committees looking after different types of functions, the Managing Director stated that that could be examined.

[The Committee then adjourned till 15-00 hours.]

The Committee re-assembled at 15-00 hours and resumed consideration of the estimates relating to the I.T.I. (P) Ltd., Bangalore.

Increase in Overheads

10. The Committee then wanted to know the reasons for increase in overheads of the I.T.I. in 1955-56 of 47% and in 1956-57 of 42% as compared to 1954-55 when the production figure increased only by 17% in 1955-56 and 30% in 1956-57. The Managing Director explained that taking into account the volume of components, which were being previously imported, there was an increase in production of about 40% over 3 years, since towards the end of 1955-57, about 85% of the components were manufactured in the I.T.I. as against 45% in December, 1954. Further, their selling price with the same margin of profit had also now come down to Rs. 80 as against Rs. 108 then. On being pointed out by the Committee that the percentage of output to the total investments was 75% only in I.T.I., the representative of the Ministry of Finance (Communications) stated that it was 90% if the loan of Rs. 63 lakhs taken from the State Bank of India in lieu of a large number of outstandings against the P & T Department amounting to about Rs. 116 lakhs, was excluded from the working capital. He urged that even 75% was far better a percentage of output if compared to Sindri and H.M.T., where it was understood to be 42 and 6 per cent respectively.

Renewals and Re-placements

11. The Committee enquired why the provisions for renewal and replacement reserve and depreciation had been on an *ad-hoc* basis depending on the appropriations from profits. The representative of the Ministry of Finance (Communications) stated that in the matter of depreciation, straight line method was followed in the I.T.I. and in the matter of renewal and replacement Reserve, so far no scientific formula could be worked out and that this was being done on an *ad-hoc* basis depending upon the appreciation of future requirements. He added that the present reserve and provision for Depreciation made in the I. T. I. were more than adequate to meet any emergency.

Loss of man-hours on account of late running of workers' train.

12. Turning towards the loss of about 6500 man-hours caused by the late running of workmens' trains (about Rs. 45,000-a year) the Committee wanted to know how this was reflected in the Accounts..

The Managing Director stated that this was reflected in the overheads. Explaining the reasons for frequent late running of the train he added that it ran late when Madras Mail was late and as such the train was held up at the Cantonment Station. He assured the Committee that this matter was being taken up with the Railway Board and the position had now much improved and the doubling of the railway track which was under construction would solve the problem.

Internal Audit Reports

13. The Committee enquired into the causes of the various irregularities pointed out in the internal audit report of the I.T.I. for the last three years which related to over-payment of wages, failure to effect deductions of company's dues etc. Explaining, the Finance and Accounting Manager stated that these were committed by the clerks and practically all irregularities had been rectified. Necessary action against the persons concerned had also been taken by issuing warnings. In reply to a question he stated that no financial loss was suffered by the I. T. I. on this account.

Costing System

14. The Finance & Accounting Manager, I. T. I., informed the Committee that the system of costing obtaining in the I. T. I. had been working quite satisfactorily in controlling the cost. In reply to a question, the Managing Director stated that they were now maintaining a regular salvage account where all the items were expeditiously taken into account.

Book-debts of the I. T. I.

15. In reply to a question, the Committee were informed that the total outstanding of the I.T.I. on the 31st March, 1957 amounted to Rs. 162 lakhs against the P. & T. Department; Rs. 21 lakhs against the Railways; and Rs. 3 lakhs against other Government Departments. Explaining further, the Managing Director stated that the position in this respect had considerably improved and that the dues outstanding against the P. & T. Department were now only Rs. 116 lakhs. He, however, stated that though the P. & T. Department were supposed to make 90% payment within 30 days, actually they did not do so. Explaining the reasons for such heavy accumulation of dues from the P & T, the Chief Engineer, P & T stated that this matter was brought to his notice only in August last and according to his records the total outstanding came to about Rs. 40-50 lakhs only. The Committee, therefore, wanted to know the reasons for the discrepancies which came to about Rs. 66 lakhs. Explaining, the Managing Director stated that previously Bills were sent to the P&T Department by ordinary post and, therefore, it was possible that some of the Bills might not have reached them. In this connection, he also mentioned that there some over-billing was caused by the conversion of sterling into rupee. When asked whether the quantity of equipment supplied by the I. T. I. to the P & T tallied with the P&T records, the Committee were informed in the affirmative.

16. The Committee then asked about the present procedure for sending bills to the P&T Department. The Managing Director stated that now bills were sent under Registered Post and a statement was also sent periodically detailing all out-standings. While confirming this, the Chief Engineer, P&T stated that all bills would in future be paid within two-three month's time.

17. On the matter being pursued further, the Secretary of the Ministry stated that he discussed this with the C.E., P & T at the Boards' meetings but unfortunately it did not produce any result. This, he said, was possibly due to complacency on the part of the P&T Department that it was a sister Department of I.T.I. After some discussion, the Committee decided to appoint a Sub-Committee of their own to examine the existing procedure obtaining in the I. T. I. for the supply of goods and services rendered to the P & T Department and other consumers; the mode of recovery of its cost; the extent of outstandings and the reasons therefor and in particular the reasons which led to the accumulation of outstandings against the P & T Department. During the course of discussion it also transpired that the I.T.I. had to go in for loans at $4\frac{1}{2}\%$ interest from the State Bank on account of the heavy dues from the P & T Department.

Production Programme

18. With regard to the production of carrier equipment, the Committee were informed that it was quite heavy and by 1958 the I. T. I. hoped to meet all the requirement of the P & T Department except 12 channel equipment in which some delay was likely to happen. In reply to a question, it was stated that all machines etc. from the T. M. I. factory, Dehra Dun were removed to Bangalore.

Production Difficulties

19. As to the production difficulties experienced by the I. T. I. on account of (i) imbalance in production, (ii) inadequate forecasts, (iii) tool break-downs, (iv) shortage of floor space, and (v) shortage of material, the Committee were informed that the I. T. I. were now experiencing no particular difficulty in this respect and were having full coverage to meet any such contingency.

Utilisation of machines

20. As regards the utilisation of machines in the I.T.I., the Managing Director stated that the percentage of utilisation had gone up to 112% in 1956-57 against 35% in 1952-53 and 90% in 1955-56. When asked to what extent the A.T.E. were responsible for the installation of excess machinery in the I.T.I., the Managing Director stated that since the A.T.E. had a method of production control, they desired that the telephone factory should be a self-sufficient unit and for this purpose, it was necessary that all machines required should be there in the I.T.I. though at times these were not fully utilised.

Co-ordination between I.T.I. and other factories in the public sector etc.

21. When asked about the extent of co-ordination between the I.T.I. and other bodies and sub-contracting for the manufacture of components the Managing Director stated that they were holding regular meetings with the Development Wing of the Ministry of Commerce & Industry and also advertising their requirements in the Trade Journals. They were also keeping in touch with the Hindustan Cables and Bharat Electronics for the manufacture of cables and switch boards etc. With regard to sub-contracting, he stated that the I. T. I. were not quite satisfied with sub-contracting because the suppliers made samples only and did not generally maintain the quality and programme for supply. The Committee suggested that Government might set up a Telegraph and Telephone Equipment Committee on the lines of the Railway Equipment Committee to find out the capacity existing in the country for the manufacture of various items of tele-communication equipment etc.

Rejections by the P. & T. Department

22. As regards the percentage of rejections by the P. & T. Department the Managing Director stated that the problem was not very serious as all defects were rectified on the spot and equipment handed back to the P. & T. Department after it was checked. He also stated that there was no loss on that account and the percentage of rejections was also coming down to normalacy.

Prices & Profit Margins

23. The Committee pointed out that the prices of equipment manufactured by the A.T.E. were higher by about 50% than the prices of I. T. I. products and wanted to know to what extent the difference represented import duties and freight charges. The Managing Director explained that this was about 30-37 per cent as they had to pay Customs duties on imported raw materials.

24. The Committee then enquired into the reasons for raising the profit margins in the case of I. T. I. products sold to Government Departments other than P & T from 10 to 15% and the private parties from 12½% to 20%. In reply, the Managing Director stated that the information furnished to the Committee in this behalf was not strictly correct as the proposal, on which this was based, to increase the profit margin from 7½% to 10% in the case of P&T Department was still to be approved by that Department. While justifying the contemplated increase in the profit margin, he stated that that was done in accordance with the practice followed by the B. E. L. in which case the Planning Commission had fixed a profit margin of 10%.

Concessions from Government

25. When asked whether the I. T. I. enjoyed certain concessions in the matter of imports and exports, the Managing Director replied

in the negative and added that when they approached the Government for some reduction in the customs duty, the Government turned down their request on the ground that it would lead to repercussion in other industrial undertakings in the private sector.

Increase in production

26. When asked about the steps taken by the I. T. I. to increase their production of telephonic and non-telephonic equipment, the Managing Director stated that they were constantly examining this point and a number of other items such as cross bar exchange, mining telephone staff locating system equipment and secrecy equipment etc. were also being manufactured by them. They were also considering the possibility of producing automatic vote recorders. He also added that they were going to have a survey of the demand for telephone requirements next year.

Export of I. T. I. Products

27. As regards the export of I. T. I. products, the Committee were informed that steps were being taken by consulting our Embassies and by appointing agents abroad for the sale of I. T. I. products. The Managing Director also stated that in order to overcome the difficulties regarding competition the Board had now decided to make the first supply even at a loss by giving lower quotations. As regards the advance intimation by the P&T Department of their requirements to the I. T. I. the Committee were informed that that Department was required to place orders 16 months in advance and that the position was now considered satisfactory.

Supply of Co-axial Cables

28. The Committee enquired about the supply position of Co-axial Cables in the country. In reply, the Managing Director stated that Co-axial Cables were at present being imported for 'Delhi-Agra Kanpur' and 'Kanpur-Banaras-Aonsol' Sections, but some difficulty was experienced on account of foreign exchange. Intervening the Chief Engineer Planning P & T informed the Committee that during the Second Five Year Plan, the total requirements of Co-axial Cables would be about 1800 miles out of which it was expected to produce 300 miles of such cables in the Hindustan, Cables (P) Ltd., and the rest 1500 miles would have, therefore, to be imported.

In reply to a question, he stated that efforts were also being made to increase the capacity of the H. C. (P) Ltd., which might be possible after a couple of years.

Co-ordination between P & T Department & H.C.L.

29. The Committee then enquired about the co-ordination between the Hindustan Cable and the P & T Department and whether it would be advantageous to have these two units under the same Ministry. In reply the Chief Engineer, P & T stated that this was

being done through the additional Chief Engineer, P & T who was a Director of the H. C. L. The Secretary of the Ministry intervened to say that in actual working, there was sufficient co-ordination between the two. As regards the transfer of the H. C. L. to the Department of Communications, he stated that it was a matter of policy to be decided by the Government.

P & T Workshops vis-a-vis I.T.I.

30. The Committee then enquired to what extent it was feasible to have a common management for the I. T. I. and P & T Workshops. Replying, the Secretary of the Ministry stated that at present co-ordination was being maintained through the Chief Engineer, P & T who was both the Chairman of the P&T Workshops Board and a Director on the Board of the I.T.I. When asked whether the Managing Director of I.T.I. could take over the charge of P & T Workshops, the Secretary stated that it would cause a very heavy load of work on him. He, however, added that the whole question of reorganisation of the P&T Workshops was under the consideration of the Minister.

Auto and Manual Exchanges—Policy re:

31. The Committee enquired about the policy which was being followed by the P & T Department in installing telephone exchanges and converting auto to manual and *vice-versa*. Replying, the Chief Engineer, P & T stated that generally a telephone exchange was installed in a place where it could pay its way but Government had also now decided that all District Headquarters and some Tehsils should be provided with telephones irrespective of load. In this connection, he also informed the Committee that there was a Telephone Advisory Committee in all Circles to advise in the matter of providing telephone connections.

32. With regard to the policy of installing auto and manual exchanges, the Chief Engineer, P & T stated that in all small exchanges and exchanges having more than 1,000 lines, auto exchanges were economical to work. The conversion of auto exchange into manual exchange, he added, depended on technical and financial considerations of each case. The Committee then wanted to know the reasons why in places like Bhavnagar, Mysore and Gwalior auto exchanges had been replaced by manual exchanges. Explaining the Additional Chief Engineer (Planning), P & T stated that these were replaced by manual exchanges due to certain extraneous circumstances and technical reasons. He also added that these places had been accorded first priority in consultation and that no avoidable time would elapse in installing auto exchanges in these places.

Non-lapsable Fund for Telephone Development

33. As regards the economics of setting up auto and manual exchanges and total expenditure incurred in converting auto manual exchanges, the representative of the Ministry promised to furnish a.

note. In this connection, the Committee suggested that the P & T Department might consider a scheme to provide auto-exchanges in all big cities and also examine the desirability of setting up a non-lapsable Fund for the development of telephones in the country.

Utilisation in full of the installed capacity at the exchanges

34. The Committee pointed out that in certain places like Bombay, Calcutta, Madras and Delhi, there was apparently a considerable time lag between the installation capacity at exchanges and of the provisions of working connections with the results that the number of working connections was far less than the capacity. Explaining, the Chief Engineer, P & T stated that when new exchanges were brought into service, they always had 20—25% additional capacity, since manufacture and installation of these equipments took from 3—5 years. He, however, added that by giving more connections the spare capacity in these cities would be utilised very shortly.

Telephone Revenue

35. The Committee desired to know the present position of telephone revenue. The Chief Engineer, P & T, stated that the normal collection of telephone revenue came to about Rs. 16 crores a year and on 31st March, 1957 the total outstandings were about Rs. 106 lakhs.

Examination by a team of foreign Experts of the working of the I.T.I.

36. The Committee wanted to know whether any independent body had examined the working of the I.T.I. from the administrative and technical points of view. The representative of the Ministry stated that no such examination had so far taken place in the I.T.I. but in the P & T workshops a foreign expert under the Point Four Programme whose services had been obtained was making some time and motion studies.

37. On being pointed out that as at the end of 1956 the employees in the factory were about 3,484 and production was about 30,000 lines a year, when only 3,000 persons were required according to the report of A.T.E's. Director, the Managing Director stated that the estimates of the Director were based on an average which came to 3,300 employees. Moreover, the A.T.E's. Director did not take into account the work in the Transmission Department, Township and Transport service. Taking into account all that, the Managing Director added, the number of persons working on the telephone side would be less than what was given by the A.T.E's. Director. With regard to the present ratio between the office staff and employees in the factory, the Committee were informed that probably it was 1.6 in Britain, but in the I.T.I. there were at present 670 office staff against 3,870 workers. In this connection, he also stated that I.T.I. were at present producing, 12,000 telephones a week and by introduction of the incentive system, the production would be much improved.

Training of Personnel

38. Referring to the training, the Committee were informed that there was a school in the I.T.I. and they had also started evening classes to train a large number of persons. Their scheme was to train persons in excess of their requirements to the extent of 20%. Explaining further the Managing Director said that the training school had one Assistant Engineer and 5 Instructors on whom about Rs. 12,000 a year were spent. When asked whether there was any special arrangements for imparting training in the Transmission Department, the Managing Director replied in the negative and added that some times the Works Manager conducted the evening Classes. In reply to a question, it was stated that 8 officers had been trained so far by the A.T.E. in the transmission line. When asked about the scope for joint training schemes for the I.T.I. and P & T Department, the Managing Director stated that it was not possible since the P & T Department trained their staff in the maintenance side only while the I.T.I. were concerned with the manufacturing side. Intervening, the Secretary of the Ministry stated that this proposal was worth considering and a Committee might be appointed to go into details of training programme to see how best co-ordination and expansion of training programme between the I.T.I. and P & T could be achieved.

Raw Materials and Stores

39. The Committee desired to know the extent to which the I.T.I. made use of the Central Purchase Organisation and how liaison was maintained with it. The Managing Director stated that the Central Purchase Organisation was utilised only for the shipping of goods from U.K., otherwise, the purchases were made through the Purchase Committee of the I.T.I. He, however, agreed to examine the suggestion made by the Committee to have non-officials on the Purchase Committee which at present consisted of 3 officers of the I.T.I. alone.

40. As regards policy of I.T.I. for stock-piling, the Managing Director stated that they were keeping adequate stocks of imported and indigenous materials in order to keep the factory running and ordinarily they controlled the stock in such a manner as would avoid over-stocking as far as possible.

Research and Development Activities

41. The Committee then desired to know whether the I.T.I. were satisfied with their present set up of Research and whether the additional expenditure of Rs. 56 lakhs was considered absolutely necessary. In reply, the Managing Director, I.T.I. stated that actually they had no Research Section except that they had employed a few persons on this work and which was nothing when compared with A.T.E. and other manufacturers who had engaged large establishment on Research work. He was, therefore, of the opinion that

after 1963, they should have a good Research Section to be independent of foreign know-how and advice. He pleaded, therefore, that the additional expenditure of Rs. 56 lakhs on Research which was to be spread over a period of 10 years was not more. Intervening, the Secretary of the Ministry stated that the Research and Development Section which the P & T Department had established at New Delhi was working in complete collaboration with the I.T.I. and there was a good deal of liaison between the I.T.I. and P & T in the matter of Research. The Managing Director informed the Committee that they were also sending their Officers for training to A.T.E. and some of their staff in the transmission field had also worked in the laboratories of the A.T.E.

Statistical Quality Control

42. With regard to the statistical quality control the Managing Director informed the Committee that besides having assistance from the S.Q.C. Unit of Indian Statistical Institute, Calcutta, they had set up a S.Q.C. Unit in the I.T.I. and were also getting some help from the Quality Control Association, Bangalore. In all, he said, the I.T.I. were spending Rs. 15 to 20,000 a year on quality control.

When asked whether the S.Q.C. Unit of I.T.I. obtained foreign statistics regarding the manufacture of Telephones, the Managing Director replied in the negative and observed that it was so because the S.Q.C. Unit simply suggested that the sampling method should be adopted to ensure that the production went smoothly.

Rural Telephone System

43. The Committee wanted to know about the progress made in the development of Village Telephone System which existed in Saurashtra at the time of its merger. The Chief Engineer undertook to look into the matter and furnish a note to the Committee.

The Committee then adjourned till 15:00 hours on Wednesday, the 18th December, 1957.

XXII
TWENTY-SECOND SITTING
18th December, 1957

The Committee sat from 15.00 to 18.00 hours.

PRESENT

1. Shri Balvantray G. Mehta—*Chairman*
Members
2. Shri Ranbir Singh Chaudhuri
 3. Shri R. Ramanathan Chettiar
 4. Shri Ahmed Mohiuddin
 5. Shrimati Renuka Ray
 6. Shri Uma Charan Patnaik
 7. Shri R. L. Jangde
 8. Shri N. C. Kasliwal
 9. Shri Dodda Thimmaiah
 10. Shri M. L. Dwivedi
 11. Shri V. P. Nayar
 12. Shri R. K. Khadilkar
 13. Shri Shraddhakar Supakar.

SECRETARIAT

Shri A. R. Shrimati—*Deputy Secretary.*

NON-OFFICIAL WITNESSES

1. Shri B. V. Baliga, Chief Engineer.
A.I.R., President.
 2. Shri B. R. Batra, Retd. Chief
Engineer, P & T.
 3. Gr. Capt. K. A. Joseph, Air Head
Qrs.
 4. Shri N. V. Shenoi, Deputy Chief
Engineer, P & T.
 5. Shri H. N. Shrivastava, Retd.
Additional Chief Engineer
(Planning), P & T.
- } *Representatives of
the Institute of
Tele-Communi-
cations Engineers*

The Committee resumed consideration of the estimates relating to the Indian Telephone Industries (P) Limited, Bangalore.

Agreement with the A.T.E.

At the outset the Committee enquired whether the agreement entered into by the Government of India with the A.T.E. for the establishment of telephone industry in India had proved sufficiently helpful in the matter of the development of the telephone industry in India and whether the payments made so far to the A.T.E. had been considered commensurate with the assistance received. Shri Batia stated that the Agreement had been helpful in the establishment of a telephone factory in India as previously the Government of India used to import telephone equipment from abroad and now the bulk of the same was being manufactured in the country. He also expressed the opinion that the payments so far made to the A.T.E. were commensurate with the assistance received. Both Shri Baliga and Shri Batra were of the opinion that the I.T.I. was one of the best run Government Undertaking.

When asked to express his views about the competence of the A.T.E. in the matter of assisting the I.T.I. in the technical know-how and equipment etc. in the latter's project for the manufacture of carrier and transmission equipment, Shri Batra stated that as far as signal, 3-channel and 12-channel carrier equipment were concerned, the position appeared to him to be quite satisfactory; and the equipment produced by the I.T.I. was functioning well. The 12-channel equipment, he added, was, however, being produced by the I.T.I. with the help of components received from the A.T.E.

Appointment of the Chief Engineer, P & T, on the Board of Directors

When asked whether it was considered necessary that the Chief Engineer, P & T, who was the principal buyer of the products of the I.T.I. should be a member of the Board of Directors of the I.T.I., Shri Batra stated that his presence on the Board was very useful. As the main purchaser of the products of the I.T.I., it was necessary that he associated himself with the manufacture and management of this undertaking.

Capital-output ratio in the Indian Telephone Industries (P) Ltd.

The Committee observed that the percentage of production to total investment in the I.T.I. was about 75% and wanted to know firstly whether it was a satisfactory percentage, secondly what should be the normal percentage of production to investment and thirdly in what ways this percentage of output *vis-a-vis* investment could be increased in the I.T.I.

Shri Baliga expressed the view that there was no exact relation between the capital investment including the working capital and the output of the factory. It had to be determined with reference to the particular industry itself. In the tele-communication industries which were very specialised industries, he said that the ratio was 1:1 or 1:2 and it varied from factory to factory. He hoped that

in the course of next few years when the output of the factory could be increased, this ratio would become 1:1. In this connection, he also felt that any reduction in the demand of the P. & T. Department which mainly absorbed the output of the factory was bound to have repercussions on the working of the I.T.I. He, therefore, suggested that efforts should be made by the I.T.I. to tap the export market and to take up manufacture of certain ancillary items for full utilisation of its capacity.

Finance & Budgeting

The Committee enquired whether the I.T.I. could manage its affairs without an over-draft of about Rs. 1 crore which was generally necessitated due to heavy outstandings from the P & T Department for supplies made to them.

Shri Batra expressed the opinion that to improve matters the transactions between the P & T Department and the I.T.I. should be strictly commercialised and the I.T.I. granted all facilities for adequate advance payments against despatched goods as would have been extended to any private contractor. In this context, Shri Shenoi suggested that the procedure already in vogue in the DGS & D could be advantageously adopted in the matter of supply of products by the I.T.I. to the P & T Department. Shri Batra suggested that there should be present a representative of the P & T at the I.T.I. who should certify and arrange payments against the despatched goods. As regards the clearance of past outstandings he suggested that one or two officers of the I.T.I. should be deputed to places where outstandings exceeded Rs. 1 lakh for arriving at a settlement.

Directions of the I.T.I.

The Committee then desired to know the directions in which the I.T.I. should expand its production for meeting the requirements of (i) the P & T Department, (ii) Other departments, and (iii) Private Sector. Shri Batra stated that as far as the telephone equipment was concerned, the I.T.I. could produce as much as the country needed. In fact, there was an imperative need for providing additional funds to the Department to meet large outstanding demands for telephone in the country particularly when it did not involve any foreign exchange.

Telephone Development Fund

Shri Batra agreed with the suggestion that a non-lapsable "Telephone Reserve Fund" should be set up to finance the Telephone Development in the country. He further suggested that Commercial Departments like the P & T should have along term budgeting, say for 3 years, as it would be more beneficial if the funds were not allowed to lapse at the end of the year.

I.T.I. as suppliers of Defence requirements

When asked whether the I.T.I. with the help of other concerns was able to meet the special Defence requirements of tele-communi-

cations, or would attain self-sufficiency in the same by the year 1963, Shri Batra and Gr. Capt, K. A. Joseph *inter-alia* observed as below:—

- (i) That the I.T.I. could meet 90—95% of the telephone equipments. But so far as transmission side was concerned, it required a considerable expansion in the I.T.I. to meet the needs.
- (ii) As far as batteries were concerned, some of the factories in the private sector in Bangalore and elsewhere had already started making bigger batteries. As far as power plant and generators were concerned most of them had to be imported for some years till the Heavy Electricals Factory in Bhopal started functioning.
- (iii) As far as other tele-communication equipments were concerned, the same were the concern of the Bharat Electronics and not the I.T.I.

Survey of the requirements of the country in respect of Telephone Equipment, etc.

The Committee enquired whether there was any need for conducting a survey of the requirements of the country for telephone equipment, *viz.*, P & T Department and other Departments of the Government of India and the private sector. Shri Batra stated that as far as the telephone equipments were concerned, the I.T.I. could make as much as was required by the country, their present production being about 30—40,000* telephones and the same amount of exchange equipment. If the demand rose to 40—50,000, it should be possible for the factory by putting an extra shift to meet the needs. But as far as the requirements of transmission equipment were concerned, they had to expand by about double or treble to meet the growing requirements. As regards demand in the private sector, the same was restricted only to the equipments that were required in the shape of small PAXS which the I.T.I. would be able to meet adequately. The Committee suggested that in view of the industrialisation and greater urbanisation, the scope of the proposed survey might be extended to cover ancillary items which could be produced for other industries. The Committee suggested that the Development Wing of the Ministry of Commerce & Industry should act as the central agency for correlating the production capacity of the various State undertakings and the demand for their products both in the public and private sectors.

Comparative prices of the I.T.I. products with those of the A.T.E. and other manufacturers

The Committee enquired as to how the prices of equipment manufactured by the I.T.I. compared with those by the A.T.E. and other manufacturers.

*Latest figure of production is 52,000 telephones.

Shri Batra stated that for varied reasons it was difficult to compare the prices of the I.T.I. equipment with those of the A.T.E. products and other manufacturers as some countries had systems of subsidised exports, etc. He, however, added that the price of the telephone instrument produced by the I.T.I. was now Rs. 80 as against Rs. 108 when it started functioning (*i.e.*, there was a reduction of about 25%) which, he observed, was by no means a small achievement.

Measures for reducing cost of production

The Committee then enquired about the steps that might be taken to reduce the overall cost of production of the equipment manufactured by them. Shri Batra pointed that the question of reduction in the overall cost of production of the equipments was partly dependent on bigger orders and partly on the introduction of incentives. In reply to a question as to how the proportion of over-head charges in the I.T.I. compared with other factories, it was stated that the position of the I.T.I. in this direction was steadily improving since the over-head charges were now only 500% as against 800% in the earlier stages.

In reply to a question, it was stated that out of the 80 component parts of telephone, only two components were at present being imported; the rest were being manufactured in the country. In regard to these two parts, he felt that it was not worthwhile manufacturing them here as the cost of production was very high as compared to their actual value.

Proposals for stepping up Exports

The Committee then desired to know the measures that should be taken to step up exports of the I.T.I. by subsidising exports, etc. Shri Batra ruled out the proposal for subsidising exports and stressed that for the present the I.T.I. should confine itself to meet the growing internal requirements.

Maintenance by the P & T Department of PAXs installed by the I.T.I.

Shri Batra expressed the view that it was desirable to let the I.T.I. continue looking after the maintenance of the PAXs installed by it rather than transferring it to the P & T Department. Shri Baliga, however, promised to examine this matter and furnish a note to the Committee.

Management of P & T Workshops

The Committee then desired to know whether there could be common management for both the P & T Workshops and the I.T.I. Shri Batra stated that so far as the quality of material produced by the two workshops were concerned, the I.T.I. products were definitely superior because the I.T.I. had the latest machinery and equipment as compared to the P & T Workshops. As regards equipment

produced in the P & T Workshops the overheads were comparatively smaller, particularly when the bulk of the machinery had outlived its life, the interest, depreciation etc. being small. Both Shri Baliga and Shri Batra welcomed the proposal that a team of experts under the Colombo Plan or the T.C.M. might be invited to look into the affair of the P & T Workshops and suggest measures for rationalisation and modernisation thereof.

Utilisation of indigenous Raw Material

The Committee stressed that in view of the present shortage of foreign exchange, a Development and Research Section should be set up in the I.T.I. to find out whether we could find any substitute for the raw materials or equipments that were being imported from abroad.

Future of I.T.I. on termination of agreement with the A.T.E.

The Committee then desired to know whether with the present rate of progress the I.T.I. would be able to carry on their business efficiently and independently of the A.T.E. now or after 1963 when the present agreement with the A.T.E. was terminated. Shri Batra stated that so far as the present type of equipment was concerned, that could be done but in view of the fact that rapid developments were going in the field of telephone equipments, electronic equipments etc., it would be desirable to enter into an agreement with some foreign consultants and global tenders to select the best firm might be then invited.

Training Programme

The Committee then enquired whether there should be common training centres for the I.T.I. and the P & T Department for their telephone staff-skilled workers etc. Shri Batra stated that the kind of training required for the two organisations was essentially different, since the one looked after the maintenance and the other after the manufacturing side.

Comparative cost of public telephone service in India, U.K. & other countries

Taking into account the fact that a considerable amount of equipment was imported from abroad and also because of comparatively higher cost involved on account of Transport, insurance customs etc., Shri Batra felt that the public telephones service here in India should have been costlier than in the U. K. and other Continental countries. He further said that the rates in India had not been raised since 1930 and the same could be profitably raised and the additional revenue thus accrued could be utilised for telephone expansion. In this context, he pointed out that the telephone revenue largely depended upon the trunk services—the larger the number of circuits the greater was the trunk traffic. He suggested that priority No. 1 should be given to the development of trunk traffic by encouraging

the manufacture of under-ground cables. According to their tentative estimates, the entire programme for linking big Indian Cities would cost about Rs. 8 crores (having a foreign exchange component of Rs. 2 crores), but the same could yield a return of about Rs. 2 crores annually.

Criteria for Exchanges

The Committee liked to know the policy in the matter of installing auto and manual exchanges and converting one to the other, etc.

Shri Batra stated that the criterion followed by the P & T Department for installation of an auto exchange was 1,000 lines. Generally in most countries large exchanges were automatic and smaller systems were manual. But there was no point in replacing one with the other till it was due for replacement, the normal life of such exchange being 20 years.

Policy regarding telephone connections in Bombay, Calcutta, Madras and Delhi, etc.

The Committee then observed that in certain places like Bombay, Calcutta, Madras and Delhi, the number of working connections was much less than the installed capacity in telephone exchanges and enquired reasons for the same, and the measures that might be taken to improve matters in this behalf. Shri Batra stated that in each exchange, a certain amount of spare capacity had to be allowed, particularly when all customers were not equal users.

As regards the differential rates for telephone calls—business and residential—Shri Batra stated that a Departmental Committee was appointed last year to look into the matter.

Facilities for research in the tele-communication research centre of the P & T Department etc.

The Committee inquired in regard to the research conducted in the Tele-communication Research Centre of the P & T Department and the Research Unit of the I.T.I. and how it was being utilised. Shri Batra stated that the research facilities provided at present in both the centres were complementary to each other. In the P & T Department, it was really more of research of circuits and type of equipment, and in the I.T.I., it was making the models and the actual things. There existed necessary co-ordination between the two centres, he added.

Funds included for the Telephone Department and the I.T.I. in First and Second Plans

To conclude, Shri Batra felt that obviously more funds should be provided for the telephone development projects under the Second Five Year Plan. He, however, urged that whatever funds

were to be provided for this purpose, the same should be done in the earlier years, as commitments had to be made over a period of years.

[At this stage, the representatives of the I.T.E. withdrew and Shri H. N. Shrivastava, Retired Additional Chief Engineer, P & T. Department, was called in.]

Agreement with the A.T.E.

Referring to the Agreement entered into by the Government of India with the A.I.E. for the establishment of the telephone Industry, the Committee enquired whether the payments so far made had been commensurate with the assistance received. The witness observed that on the whole the Agreement had worked satisfactorily, and that there was no need to break away with the A.T.E. before the expiry of the Agreement.

When asked about his views on the competence of the A.T.E. in the matter of assisting the I.T.I. with technical know-how and equipment etc. in their project for the manufacture of carrier and transmission equipment, the witness said that in this particular field, the A.T.E. were undoubtedly making a lot of improvement but he was hesitant regarding their competence to supply the carrier equipment required for the use of co-axial cables.

Expansion proposals for I.T.I.

The witness stated that in the background of the Second Five Year Plan requirements for telephone equipment, the production capacity of the I.T.I. for the same seemed to be more than adequate to meet the country's requirements of the items in question.

Comparative prices for equipment manufactured by the I.T.I. with those by the A.T.E. & other manufacturers

As regards the comparative prices of equipment manufactured by the I.T.I. and that by the A.T.E. and other manufacturers, the witness stated, that he had a feeling that the Indian prices should have been cheaper; but there were certain inherent difficulties in this direction due to limited supply of a special type of enamelled wire which was not being manufactured in India. He urged that one of the measures by which the prices could be brought down was that India should become self-sufficient in the production of enamelled wire.

Co-ordination between the I.T.I. and P & T re: supply of Telephone Equipment and its maintenance

When asked whether it was feasible to entrust the work connected with the installation and maintenance of PAXs to one organisation only, the witness stated that since the number of PAXs was limited all that should be insisted upon was regarding uniform rates by the two organisations and that it was not desirable to have common administration for I.T.I. workshops and the P & T workshops.

Proposal for planning of additional factories

Visualising the future requirements of the country after the Third Plan for telephone instruments of about one lakh odd as against 40,000 as at present, the witness stressed the desirability of planning for two or three factories scattered within the country working competitively.

P & T Workshops

The witness stated that the P & T Workshops at Bombay, Calcutta and Jubbulpur had to be modernised gradually and some sort of specialisation introduced in respect of the items manufactured therein.

As regards their management, departmental or otherwise, the witness stressed that all that was wanted was that these workshops should be run on business lines and not subjected to cramped administrative control. He added that there should be separate workshops for production and maintenance each to be autonomous and separate subject to exchange of officers between them from time to time.

Policy regarding installing auto and manual exchanges, etc.

The Committee enquired about the present policy in the matter of installing auto and manual exchanges and converting one to the other. In reply, the witness stated that exchanges with 1200 to 1500 lines should be manual and the rest should be auto. He expressed the view that Swedish Cross-Bar Exchange was much better and economical *vis-a-vis* stronger type of equipment for various reasons including the following:—

- (i) The Strowger type had many moving parts and consequently greater fault liability and comparatively poor performance; and
- (ii) Higher requirements of battery power and maintenance cost, etc.

Reasons for not full utilisation of installed telephone capacity in Bombay, Calcutta, Madras and Delhi.

The Committee observed that in certain places like Bombay, Calcutta, Delhi, etc. the number of working telephone connections was much less than the installed capacity in the telephone exchanges etc. and enquired the measures that should be taken to improve matters in this behalf. The witness explained that the main point was that when the automatic exchanges were to be put they had to take into account the rate of progress for the next 15 years and his experience was that the exchanges utilised full capacity within five years of the installation.

Funds for Telephone Development under the two Plans

The witness felt that the funds provided for Telephone Development under the two Five Year Plans were quite sufficient and in fact it might not be possible to completely utilise the allotted funds.

He also suggested that the Hindustan Cables Factory should be asked to increase the production of cables so that India become self-sufficient in this respect by the time the Second Five Year Plan period was over.

The witness promised to furnish written replies on certain other points which could not be covered for want of time.

The Committee then adjourned.

XXIII
TWENTY-THIRD SITTING

19th December, 1957

The Committee sat from 15.00 to 17.45 hours.

PRESENT

1. Shri Balvantray Gopaljee Mehta—*Chairman*

Members

2. Shri Mahavir Tyagi
3. Shri Satyendra Narayan Sinha
4. Shri Radha Charan Sharma
5. Shri Ranbir Singh Chaudhuri
6. Shri R. R. Morarka
7. Shri R. Ramanathan Chettiar
8. Shri Ahmed Mohiuddin
9. Shrimati Renuka Ray
10. Shri Uma Charan Patnaik
11. Shri Raghubir Sahai
12. Shri R. L. Jangde
13. Shri N. C. Kasliwal
14. Shri M. L. Dwivedi
15. Shri R. K. Khadilkar
16. Shri Shraddhakar Suparkar.

SECRETARIAT

Shri H. N. Trivedi—*Deputy Secretary.*

Shri R. P. Kaushik—*Under Secretary.*

Representatives of the Ministry of Education and Scientific Research

1. Shri P. N. Kripal—*Joint Secretary.*
2. Dr. R. K. Bhan—*Dy. Educational Adviser.*
3. Shri C. S. Nayar—*Under Secretary.*
4. Shri Lal Advani—*Asstt. Educational Adviser.*
5. Shri R. S. Krishnan—*Secretary, Central Social Welfare Board.*
6. Shri G. P. Varma—*Budget Officer.*
7. Dr. C. J. Varkay—*Educational Officer.*

Representative of the Ministry of Finance.

Shri Prem Narain—Deputy Financial Adviser.

The Committee resumed the examination of the estimates of the Ministry of Education & Scientific Research with reference to Physical Education, Youth Welfare and Social and Child Welfare.

Physical Education Colleges

2. The Committee desired to know what method had been adopted to publicise the Lakshmibai College of Physical Education, Gwalior, so that a larger number of persons could seek admission to this college. The representative of the Ministry stated that the State Governments had been informed about it and that a Press notification on the subject had also been issued. He, however, agreed with the Committee that this was not sufficient and stated that before the admissions were made next year, they would put out a brochure and give it wide publicity.

Syllabus on Health Education

3. The representative of the Ministry informed the Committee that it was the intention of the Ministry to formulate a common syllabus. The Committee emphasized the desirability of having a common syllabus on Health Education in all the States, so that the diplomas or degrees would have equal worth in the different parts of the country. The Committee observed that it might be possible for the Ministry to say to the State Governments that grants would be given to them only on condition that they would accept common syllabus.

National Discipline Scheme

4. Replying to a question, the representative of the Ministry informed the Committee that the position and utility of the National Discipline Scheme *vis-a-vis* N.C.C. and A.C.C. had been considered. He added that the three schemes catered to three different age groups. While the A.C.C. and N.C.C. were organised on military lines and gave preference to military training, the N.D.S. confined itself to physical training in the field on semi-military lines and mass drill. It also gave mental training through lectures in the class room on India's Cultural heritage and its traditions, acts of heroism, leadership, patriotism etc.

5. Asked whether there was not some over-lapping with regard to N.C.C. and A.C.C., with regard to scouts and guides and such other activities, the representative of the Ministry replied that certain amount of over-lapping was inevitable. He, however, added that everything possible would be done to avoid overlapping and duplication which was wasteful. The Committee suggested that a comprehensive view of all such movements should be taken and each

one of them reorientated, so that good features of each movement were not only preserved but also that some of them could be transferred or added on in other movements.

Discussing this point further, the Committee suggested that with a view to avoiding overlapping, a common scheme might be evolved so far as the lowest age group was concerned and then certain things could be added on to this scheme at different stages to meet the needs of different age groups.

6. The Committee referred to their suggestion made earlier to Government that N.C.C., A.C.C., etc. should be part of the Ministry of Education. The Committee observed that for various reasons it was worthwhile to have these activities under the Ministry of Education. They suggested that the composition of the Committee, which was, as reported to have been stated by the Minister on the floor of the House, going to be appointed to look into the possibility of co-ordinating all such movements, might be such that it could deal with that suggestion. The representative of the Ministry stated that that would be done.

National Youth Centre

7. The Committee were informed that the proposal to set up a National Youth Centre at Delhi, the implementation of which had been postponed for the time being on account of recent instructions to curtail expenditure, was an important scheme under the youth welfare programme and it was intended to execute this work during the Second Five Year Plan. The Committee were further informed that the detailed estimates of the scheme had not yet been prepared but that the scheme was likely to cost a few lakhs of rupees. The Committee observed that on the one side there was this scheme costing a few lakhs of rupees and on the other there were so many children in the country not touched at all with regard to basic things. The representative of the Ministry then stated that this scheme would be dropped.

Workshops & Hobby Centres in Universities

8. The representative of the Ministry informed the Committee that no suggestions had so far been received from the State Governments or Universities for the setting up of workshops and hobby centres in the Universities. Asked whether it would not be feasible to set up such workshops/centres in the Central Universities to begin with, the representative of the Ministry replied in the affirmative.

Hostels for Educational Institutions

9. The representative of the Ministry informed the Committee that the Ministry was not giving loans for the building of communal hostels in the States. Asked whether that was a condition attached to the grant of such loans, the representative of the Ministry replied that generally the Ministry did not consider this as a condition but

added that if it came to their notice that the request came from a communal hostel, that would not be considered. The Committee observed that there were so many communal hostels or caste hostels all over the country. They suggested that with a view to encouraging the conversion of these communal hostels into general hostels, an offer of some assistance be made to them on condition that they converted themselves as universal hostels. The representative of the Ministry promised to consider the suggestion.

Youth Festivals

10. Asked whether it would not be feasible to entrust the work of organising the Inter-University Youth festivals to the Inter-University Board instead of entrusting it to the Secretariat of the Ministry, the representative of the Ministry replied that the Ministry was not keen on doing this work itself but undertook it because none of the Universities was willing to undertake this work. The Committee suggested that it would be more desirable if the management of this festival were left to some non-official agency.

11. Asked whether the question of shifting the venue of the festival to different universities from year to year had been considered, the representative of the Ministry stated that the festival was being held in Delhi for some practical considerations which were as follows:—

- (i) No university was coming forward to undertake this work, and
- (ii) Talkatora Gardens had been built up where necessary arrangements could be made profitably. The Committee suggested that the feasibility of holding the festival in some big cities like Bombay, Calcutta or Madras might be examined. They also suggested that if necessary alternate youth festivals might be held in Delhi.

Indian Olympic Association

12. The Committee were informed that Government was giving grant to the Indian Olympic Association and that the Association had branches in some States. The Committee suggested that instead of a mere collection of a few people who made themselves into an Association and got some recognition and grant, it would be better if the Indian Olympic Association began with the village and spreading by stages like divisions, districts, etc. reached upto the International level. They further suggested that such a condition might be attached to the grant.

Coaching Facilities

13. The Committee were informed that the period of coaching for the instructors and game masters of the schools and colleges was from

two to four weeks. Asked whether this period was regarded sufficient so that the instructors might really profit by it, the representative of the Ministry replied that although the present coaching did serve useful purpose, the period could be longer in order to give them concentrated coaching.

Social Welfare

15. Asked whether the functions at present discharged by the Advisory Board on Social Welfare could not be entrusted to the Central Social Welfare Board and the former body abolished, the representative of the Ministry stated that it would not be desirable to entrust academic functions to an executive agency. He further stated that co-ordination between the two agencies was however ensured by the fact that both the bodies functioned under the Ministry. He added that an office of the Central Social Welfare Board was represented on the Advisory Board for Social Welfare. Asked whether it would not be desirable that there should be some members of the Advisory Board on the Central Social Welfare Board so that there was more co-ordination and better understanding of the problems that were handled, the representative of the Ministry replied that there was scope for closer integration and that the matter could be looked into.

The Committee adjourned at 17.45 hours.

XXIV
TWENTY-FOURTH SITTING

21st December, 1957

The Committee sat from 15.00 hours to 17.15 hours.

PRESENT

1. Shri Balvantray G. Mehta—*Chairman*.

Members

2. Shri Satyendra Narayan Sinha.
3. Shri Radha Charan Sharma.
4. Shri Gopalrao Khedkar.
5. Shri R. R. Morarka.
6. Shri R. Ramanathan Chettiar.
7. Shri Ahmed Mohiuddin.
8. Shrimati Renuka Ray.
9. Shri Uma Charan Patnaik.
10. Shri Raghubir Sahai.
11. Shri R. L. Jangde.
12. Shri N. C. Kasliwal.
13. Shri Dodda Thimmaiah.
14. Shri M. L. Dwivedi.
15. Shri V. P. Nayar.
16. Shri R. K. Khadilkar.
17. Shri B. K. Gaikwad.
18. Shri Shraddhakar Supakar.

SECRETARIAT

1. Shri A. R. Shirali—*Deputy Secretary*.
2. Shri C. S. Swaminathan—*Under Secretary*.

NON-OFFICIAL WITNESS

1. Shri K. R. K. Menon,—*Chairman, Industrial Finance Corporation, New Delhi*.

BUDGETARY REFORM

Shri K. R. K. Menon, Chairman of the Industrial Finance Corporation, appeared before the Committee as a non-official witness and tendered evidence, in the course of which he elaborated the views expressed in the memorandum submitted by him on Budgetary Reform.

Budgetary Committees of Parliament

2. The witness dwelt at length on the desirability of having Budgetary Committees of Parliament for each Ministry or a group of Ministries performing functions somewhat similar to those of the old Standing Finance Committees and stated that, with a view to making it compatible with the parliamentary system of government, approval of these Committees should not be made a condition precedent to any expenditure sanction being issued by the Government, and ample discretion should be given to the Government to bring a matter to the notice of the Committees after issue of sanction, instead of before sanction, on grounds of time-factor or secrecy. He suggested that in case of difference of opinion between the Government and the Committees, the matter should be reported to the House. He had no objection to this system of scrutiny by the Budgetary Committees being supplemented by an examination of the Budget Estimates by Committees of Parliament, one for each Ministry or a group of Ministries, after they were presented and before they were taken up for discussion in the House.

Presentation of Budget Estimates

3. On the question of the feasibility of presenting separate Budgets for certain groups of Ministries on the lines of the Railway Budget, the witness was emphatically against such a proposal; in fact, he was not even in favour of a separate Budget being presented for Railways. In his view there should be only one Budget presented for the entire activities of the Government of India. He, however, suggested that just as the Minister of Railways gave his exposition and defence of the Railway Budget so as to make it more intelligible to Parliament, each Minister should present his case at the time of presentation of the whole Budget. He felt that this would not only tend to curtail unnecessary and avoidable discussions in the House but also make the debate itself realistic and better informed.

4. He was of the view that in an under-developed country like India where the potentialities for raising the necessary resources to meet all the expenditure that would be desirable were relatively small as compared to the U.K., it was not desirable to adopt the U.K. procedure of presenting the estimates of expenditure first and those of revenue about a couple of months later. Also he did not consider that there was any advantage in having the Budget presented once in two years.

Preparation of Budget Estimates

5. On the question of the feasibility of exhibiting Plan and non-Plan expenditure separately in the Budget, the witness felt that such an attempt would give rise to a wrong tendency as emphasis on the one might lead to the neglect of the other. He, however, suggested that such information could easily be furnished in separate statistical

tables or in any other form that Parliament might desire to have. He held identical views again on the question of the feasibility of showing development and non-development expenditure separately.

6. As to the basis of classification of expenditure into revenue and capital in the Budget, he stated that no one could be dogmatic about it as it was difficult to lay a hard and fast rule in such a matter. He, however, felt that the present working arrangement was by and large satisfactory.

Scrutiny of loans and grants to States

7. The witness did not consider it necessary to have a separate machinery for scrutinising the loans and grants made to States as these would be treated like any other expenditure in his scheme of Budgetary Committees.

8. On the subject of making loans and grants to States through the medium of the State Bank or the Reserve Bank, the witness was of the view that short-term loans like ways and means advances, etc., might be made by these Banks but that it was enough if Government prescribed the maximum limits for issue of such loans and that they need not guarantee them. The Banks had their own machinery to assess the credit worthiness of the States concerned. In the case of long-term loans for social services and non-developmental purposes, he thought it would be desirable to continue the existing practice of making loans direct by the Central Government as the latter had to maintain a certain measure of uniformity in this matter. In the case of long-term loans for industrial or developmental purposes, he thought it advisable to delegate this agency function to a Finance Corporation analogous to the Industrial Finance Corporation, which would be an expert body having the necessary machinery to examine loan applications and also to process them. This would, in addition, according to him, have a salutary effect on the State Governments and develop in them a greater urge to put their houses in order and be prompt in repayment of their loans. He stated that at present the State Bank and the Reserve Bank had no adequate machinery to deal with long-term loans.

Parliamentary control over public undertakings

9. A suggestion was also made by the witness that for each Public Undertaking two or three Members of Parliament might be appointed as observers. They would attend the meetings of the Boards of Directors of the respective public undertaking and would, therefore, be well-posted with its activities. But they would not have the right to vote and therefore would not be a party to any decision or executive action. He thought that these Members should be treated even better than the regular shareholders in the matter of supply of information so that a body of opinion well-acquainted with the activities of the undertakings might be created in Parliament which could

speaking with authority at least on factual matters. Such a step, according to him, would incidentally help in making the debates in the House better informed and also have a healthy influence on the minds of Members of Parliament about the working of the undertakings. He admitted that a certain amount of suspicion entertained by Members was attributable to the insufficiency of information furnished in the annual reports of these undertakings.

Rush of Expenditure

10. In order to avoid rush of expenditure at the end of the financial year and the consequent likely inadequacy of checks by the Government on the expenditure of sanctioned amounts, the witness suggested that steps might be taken to lay down rules by which unspent amounts sanctioned for the year would not be surrendered or allowed to lapse but would either automatically continue, or be given a high priority, in the Budget Estimates of the succeeding year. He did not see any need for changing the financial year, once the grants were made non-lapsable or assigned a high priority in the following year.

Borrowings by Government

11. In regard to borrowings by Government, the witness stated that the law, as envisaged under the Constitution, should prescribe a sufficiently high maximum limit so that ample powers were given to Government without the need to come and consult Parliament every time borrowing was resorted to by them. In fact, as an idea of the extent of borrowings necessary was generally indicated in the Budget Estimates, he did not think it necessary to fetter the discretion of the Government in the matter of the time or the amount of such borrowings during the course of the year.

The Committee then adjourned.

XXV

TWENTY-FIFTH SITTING

23rd December, 1957.

The Committee sat from 10·10 to 13·00 hours.

PRESENT

1. Shri Balvantray Gopaljee Mehta—*Chairman*.

Members

2. Shri Mahavir Tyagi
3. Shri Satyendra Narayan Sinha
4. Shri Radha Charan Sharma
5. Shri Ranbir Singh Chaudhuri
6. Shri Gopalrao Khedkar
7. Shrimati Sucheta Kripalani
8. Shri R. R. Morarka
9. Shri Ahmed Mohiuddin
10. Shri Raghubir Sahai
11. Pandit Dwarka Nath Tiwary
12. Shri R. L. Jangde
13. Shri N. C. Kasliwal
14. Shri Dodda Thimmaiah
15. Shri M. L. Dwivedi
16. Shri Shraddhakar Supakar

Chairman, Estimates Committee of the Rajasthan Legislative Assembly watched the proceedings from 11-10 to 13-00 hours.

SECRETARIAT

Shri H. N. Trivedi—*Deputy Secretary*.

Shri R. P. Kaushik—*Under Secretary*.

WITNESSES

Representatives of the Ministry of Education & Scientific Research

*Shri K. G. Saiyidain, *Secretary*.

Dr. A. M. D'Rozario, *Joint Educational Adviser*.

*Attended the meeting at 11·15 hours.

Dr. R. K. Bhan, *Deputy Educational Adviser.*

Shrimati Mulay, *Assistant Educational Adviser.*

Shri G. P. Varma, *Budget Officer.*

REPRESENTATIVE OF THE MINISTRY OF FINANCE

Shri S. C. Bhatnagar—*Assistant Financial Adviser.*

The Committee resumed their examination of the estimates of the Ministry of Education and Scientific Research relating to the Secondary Education.

2. At the outset, the Chairman referred to the absence of the Secretary, Ministry of Education and the Joint Financial Adviser to the Ministry and pointed out to the representatives present that according to the well established conventions the highest officials of Ministry concerned should be present, when the estimates of the Ministry were being examined by the Parliamentary Committee and that in unavoidable circumstances prior permission of the Committee should be obtained to remain absent for specific reasons.

Role of the Education Ministry

3. The Committee desired to be apprised of the fields of activity of the Central Education Ministry *vis-a-vis* the State Education Departments in the matter of Secondary Education. The representative explained that the Education Ministry advised the States in all matters pertaining to Secondary Education, including high school education, higher school education, multipurpose schools, seminars, teachers' training for secondary schools etc. The Central Ministry also gave grants to State Governments in the matter of development of higher secondary education and co-ordinated their working by writing annual reports, arranging seminars and meetings of State officials. The Central Ministry also conducted experiments and collected information from abroad and from various State Governments. Whenever there was any advice or assistance which came from abroad, it was generally processed through by the Central Ministry.

4. The Committee enquired as to whom the educational administration of the Union Territories was entrusted and the extent to which the control was exercised by the Ministries of Education and Home Affairs and whether any change in the set up of the Education Department of the Delhi State was contemplated. The representative stated that the Ministry of Home Affairs was concerned with all problems and answering of questions in relation to the work of Parliament. The Ministry concerned gave all the necessary technical advice to the Ministry of Home Affairs in the discharge of its functions in relation to the work of Parliament. The Ministry of Home Affairs had delegated a certain measure of power to the Local Administration with regard to the creation of posts. In the case of higher posts, they had to be created with the concurrence of the administrative

machinery. There were other posts which the local administration could create of its own according to what they were contemplating to do. Referring to the future set up, the representative stated that the Ministry of Home Affairs was setting up an Advisory Committee which would represent various interests including the representatives of the Delhi Area as well as the other areas. The Advisory Committee would consist of people like the representatives of the Corporation, the local committees, non-officials and some officials belonging to the Delhi Administration. The Committee would function as an Advisory Committee for the Minister of Home Affairs in dealing with all those problems. Referring to another question, the representative stated that the Director of Education and the Education Secretary should be the same person.

5. After some discussion, the Committee stated that there were two questions to be considered. Firstly, as regards the Director, whether he should be an I.A.S. man or a technical man. Secondly, whether he should be a non-technical Secretary of the Ministry or a technical man. The Committee considered that there was no any difference of opinion anywhere regarding the first question but the second question had to be considered and decided upon.

All India Council of Secondary Education

6. The Committee enquired about the advantages of having Education Secretary as the Chairman of All India Council of Secondary Education. The representative stated that before the partition of the country, there were two separate posts of the Education Secretary and the Educational Adviser. It was found that the Educational Adviser had few executive powers. When Mr. John Sargent was appointed as the Educational Commissioner he also became the *ex-officio* Joint Secretary. It was felt that if the Educational Adviser was also the Secretary or Joint Secretary it would be more helpful. The representative giving his opinion stated that the advisory and executive functions should be combined.

7. The Committee enquired whether it would be advantageous to make the All India Council of Secondary Education as statutory body with executive functions on the lines of the University Grants Commission. The representative stated that the All India Council of Secondary Education was envisaged purely as a technical body consisting of people who had first hand experience and knowledge about the problems of Secondary Education. The Council had no funds of their own which they could distribute to other people. In view thereof, the representative considered that the question of visualising it as a statutory body did not arise.

8. The Committee enquired whether the All India Council of Secondary Education was consulted with regard to the grants given to voluntary institutions for secondary education. The representative stated that it was not necessary to do so because voluntary institutions

were scattered all over the country. The Ministry acted on the advice of the State Governments whereas the All India Council of Secondary Education had no machinery to check up the status of any institution.

9. The Committee desired to know about the scope, functions and advantages of the Regional Boards of the All India Council of Secondary Education and enquired as to when and where they would be appointed. The representative stated that it would be advantageous to have them on the spot in the various areas wherever they were established and that they would be able to collect information for the All India Board at the Centre. The representative added that the Ministry had deferred the question of establishment of Regional Boards in response to the suggestions of some of the State Governments' representatives.

10. The Committee desired to know whether it was possible to amend the Resolution setting up the Council to provide for representation to the All India Federation of Educational Associations. The representative stated that a number of members of the All India Council of Secondary Education came from the teaching profession and he did not think that there was a need to make any change.

Board of Secondary Education, Ajmer

11. The Committee enquired about the necessity of having a Central Board of Secondary Education at Ajmer when practically every State and Union Territories were having their own Education Boards and also enquired whether it could be amalgamated with the Boards of one of the Union Territories, preferably Delhi. The representative stated that it was due to the fact that there was a floating population of children of officers who were transferred from time to time. In order to help such people, the idea was mooted that there should be an examination to cater to the needs of these children. At the same time it was considered worthwhile to have an examination of such a standard as would be considered good in every State and respected as such. The representative added that the question whether the Ajmer Board should be merged with the Delhi Board or whether it should remain as such *vis-a-vis* its relations with the Centre etc. was being examined by the Ministry.

12. The Committee enquired whether the Board was functioning at present and whether its usefulness had continued to exist. The representative stated that the Board was continuing in attenuated form and it was catering to the needs of private students.

13. The Committee enquired whether the Educational Adviser to the Government of India sought counsel from any Committee appointed for the purpose in the exercise of his powers and functions as the controlling Authority over the Central Board of Secondary Education, Ajmer. The representative stated that the Board was the authority for dealing with all problems which arose from the conduct of those examinations. There were certain matters for which it was

necessary to get the sanction of certain posts. Normally, all the recommendations which came in were accepted by the Ministry. With regard to budget and the creation of posts, there was the ordinary scrutiny by the Secretariat.

14. In view of the fact that the Central Board of Secondary Education, Ajmer would conduct examinations on All India basis, the Committee enquired whether it would be on the analogy of the senior Cambridge examination and whether it would prescribe curricula and text books. The representative stated that it would prescribe the curricula and text books like all other examinations and that its standard would be that of the higher secondary examination.

Science Teaching and Equipment

15. The Committee enquired about the date from which the company proposed to be established for the manufacture of standard scientific instruments (particularly, the instruments designed by UNESCO) was expected to start functioning. The representative stated that the question was being examined by the Ministry. He added that it was premature to say anything about the working capital of the company.

16. The Committee enquired about the date from which the Central Science Workshop was likely to start functioning. The representative stated that the project had been suggested by the Seminar on General Science in which most of the science teachers in training colleges had participated. He added that the matter was under the consideration of the Ministry and that it would be executed on their securing some suitable accommodation.

17. The Committee enquired about the progress made in the direction of conducting a survey of a few upgraded schools in every State. The representative stated that the survey had not been undertaken due to some difficulties. He added that the Ministry would write to the State Governments and they would start the work with those who were willing to come under the survey.

18. The Committee enquired whether any fellowships and scholarships for science teachers for further study abroad had been instituted on recommendation of the Taradevi Seminar on the teaching of science. The representative stated that the Ford Foundation had sent a team of science teachers under a scheme for one year. The teachers were supposed to work in selected universities and they were to be specially trained in the teaching of general science, including both the content and method of teaching. Some of them who proved to be very good teachers would be retained by them as paid teachers for a year, after which they would come back. Beyond that the Ministry had not instituted any scholarship due to foreign exchange hardships. The Committee suggested that the Ministry should take the

services of some expert science teachers on loan and place them in charge of science teaching in a particular area. The representative welcomed the idea and promised to utilise it.

19. The Committee enquired about the decision on the question of exempting multipurpose schools from payment of duty on scientific equipment and apparatus imported by them. The representative of the Ministry stated that the Central Board of Revenue had turned down the proposal and they were not prepared to examine it.

Multipurpose Schools

20. The Committee enquired about the steps taken to give wider publicity to the aims and objectives of multipurpose schools. The representative stated that a number of steps had been taken by way of extension services. They brought out their journals and publications which were provided to teachers. The All India Council of Secondary Education was doing that and the Ministry also brought out quarterly publications on Secondary Education. The Committee suggested that the Ministry could prepare a documentary film about the old pattern of schools and the new one consisting of the multipurpose schools. The representative welcomed the idea suggested by the Committee.

21. The Committee enquired about the steps taken to overcome the shortage of trained teachers for practical subjects in the higher secondary multipurpose schools. The representative stated that the All India Council of Secondary Education had organised a number of seminar-cum-training courses where teachers were being trained for those new subjects.

22. The Committee enquired whether the Ministry were satisfied with the introduction of diversified courses in relation to the special needs of girls' education. The representative stated that the Ministry had made a special allowance by the introduction of courses in domestic science and fine arts and crafts.

23. The Committee desired to know whether the Ministry were satisfied with the progress made towards the introduction of multipurpose schools. The representative stated that the schools had not got adequate resources of personnel and equipment and he could not consider that the position was satisfactory. The Committee enquired whether the Ministry had done some sort of evaluation of the working of the multipurpose schools. The representative stated that the Ministry had not made any survey till then and they hoped to take early steps in that regard by way of a sample survey.

24. The Committee desired to know the reaction of the Ministry to the idea of establishing an evaluation organisation on the analogy of the one working in the Planning Commission. The representative stated that the Ministry would favour the idea but they apprehended some reluctance on the part of the State Governments to accept such

an evaluation body. The Committee suggested that the Ministry should take up the matter with the National Development Council. The representative promised to do so.

Teacher Training

25. In view of the complaint that the standards in training colleges had gone down largely due to the fact that the one year course was inadequate to produce first class teachers, the Committee desired to know whether it would be advisable to insist on a two years course. The representative stated that in well established training colleges, there had been definite improvement though the position might be different in single L.T. or B.T. classes in full fledged Arts Colleges. While the representative was in favour of the suggestion of insisting on a two years' course, he added that the expenditure would be doubled in that changeover which the Central Government was not in a position to bear due to financial stringency.

26. The Committee enquired whether any special part-time training courses had been provided to meet the shortage of trained teachers. The representative stated that many of the training colleges conducted refresher courses to which either untrained or trained teachers were taken.

27. The Committee enquired whether any systematic programme of imparting inservice training to untrained teachers had been laid down to ensure that all the secondary schools trained their teachers by a stipulated period. The representative stated that there had been an increase in the number of training colleges and refresher courses and the out turn had also increased but he was not in a position to say whether the project would be completed by a stipulated period.

28. The Committee referred to the recommendation made by the Secondary Education Commission that fees should not be charged in training colleges while during the period of training all student teachers should be given suitable stipends by the State. The representative stated that many of the States had not acted on that recommendation.

29. Referring to the claim that the Central Institute of Education was established to turn out 'Model Teachers' for Secondary institutions in the country, the Committee enquired how far that aim had been fulfilled and whether any follow up of teacher graduates passing out of the Institute was kept. The representative stated that the standard of teachers trained in the Central Institute of Education had been good. He added that some kind of follow-up was kept for a specific area. The Committee enquired whether it was possible to establish such institutes in all the five zones in the country. The representative stated that it was the primary responsibility of the State Governments. He added that it could be undertaken only if adequate financial provision was forthcoming.

Central Institute of Education

30. The Committee enquired about the steps taken by the Ministry to pay more attention to research in the Central Institute of Education. The representative stated that some useful research had been carried out by some of the members of the staff of the Institute. He added that the work would expand after the number of staff was increased.

31. The Committee enquired whether it would be advisable to hand over the management of the Institute to the Delhi University. The representative stated that there were some advantage in retaining the Institute with the Ministry. If the Institute was handed over to the University of Delhi, it would be difficult to introduce new ideas.

32. The Committee enquired whether any liaison was maintained by the Institute with other teachers' training institutions in the country. The representative stated that it was so in practice.

The Committee adjourned at 13·00 hours.

XXVI
TWENTY SIXTH SITTING

23rd December, 1957

The Committee sat from 14:30 to 17:15 hours.

PRESENT

1. Shri Balvantray Gopaljee Mehta—*Chairman.*

Members

2. Shri Satyendra Narayan Sinha
3. Shri Radha Charan Sharma
4. Shri Ranbir Singh Chaudhury
5. Shri Gopalrao Khedkar
6. Shri J. Rameshwar Rao
7. Shri Ahmed Mohiuddin
8. Shri Raghbir Sahai
9. Shri R. L. Jangde
10. Shri N. C. Kasliwal
11. Shri Dodda Thimmaiah
12. Shri M. L. Dwivedi
13. Shri B. K. Gaikwad
14. Shri Shraddhakar Supakar

SECRETARIAT

Shri H. N. Trivedi—*Deputy Secretary.*

Shri R. P. Kaushik—*Under Secretary.*

WITNESSES

Representatives of the Ministry of Education and Scientific Research.

Dr. A. M. D'Rozario—*Joint Educational Adviser.*

Dr. R. K. Bhan*—*Deputy Educational Adviser.*

Shrimati Mulay*—*Assistant Educational Adviser.*

Shri G. P. Varma—*Budget Officer.*

*Attended the meeting at 14:45 hours.

Representatives of the Ministry of Finance

Shri Prem Narayan—*Deputy Financial Adviser.*

Shri S. C. Bhatnagar—*Assistant Financial Adviser.*

The Committee resumed their examination of the estimates of the Ministry of Education and Scientific Research relating to Secondary Education.

Public Schools

2. The Committee enquired about the steps proposed to be taken by the Government to bring in a change in the outlook of some of the Public Schools where snobbish mentality was helped to grow in students by not allowing them to participate in the Inter-School or Inter-College sports and activities. The representative stated that he would place that matter before the Public Schools Conference.

3. The Committee enquired whether adequate Publicity had been given to the scheme of Merit Scholarships in Public Schools. The representative stated that the Ministry gave publicity by writing to State Governments, by issuing press notes and by asking them to inform all schools about those scholarships. In the entrance test, there was an intelligence test by way of a written examination and also an interview, which was held at different centres in the country. Interviews were held by a Selection Committee consisting of a representative of the Public Schools, an educationist and an official from the Ministry. After selections were made, the amounts of scholarships were determined.

4. Referring to the mode of publicity, the Committee observed that the publicity to the Scheme of Merit Scholarships seemed to be very meagre and required a special emphasis. The Committee pointed out that the method of publicity required to be reviewed.

5. The Committee also stressed the need for evolving a systematic plan for admissions to Public Schools which would catch the eyes of the people. Referring to the scheme of the award of Merit Scholarships in Public Schools, the Committee desired that the Ministry should examine the possibilities of having a selection centre located in each State, combining the written test and the interview, giving some scope to State Governments for recommending the names of students whose parents' income was less than Rs. 500/- p.m., fixing quota for each State in some fixed proportion, and setting apart a certain percentage of seats for students belonging to Scheduled castes and Scheduled Tribes.

6. The Committee also enquired about the position in respect of students whose parents' income was less than Rs. 500/- p.m. at the time of granting the scholarships but had exceeded that limit thereafter. The representative stated that the scholarships were reviewed every year and there was no possibility of that contingency. However, he promised to introduce that check if it was not so done already.

7. The Committee also suggested that the Ministry should devise some method by which it might be possible to cater to the needs of the category of students who may have failed to register their

names well in time. The Committee suggested that the Public Schools should make their selection either through a competitive examination or through a Committee appointed for the purpose. The representative noted suggestion of the Committee.

8. The Committee visualised three broad categories of admissions to Public Schools, *viz.*, admission by registration admission through competitive examination and admission for those who had secured Merit Scholarships. In view of the fact that the Government had assisted some of the Public Schools in the construction of buildings, extensions etc. and also by the grant of land, the Committee suggested that they might be in a better position to negotiate with those schools in the above respects.

9. The Committee enquired whether any Public Schools had converted themselves into multipurpose schools. The representative stated that the Mayo College Ajmer had been given a grant of Rs. 81,180/- for that purpose.

10. Referring to the amount of Rs. 1,05,000 sanctioned as grant-in-aid to the Lawrence School, Sanawar for the construction of an additional building and purchase of furniture, the Committee enquired about the contribution made by the School. The representative stated that the School had not contributed anything. The Committee enquired whether the Ministry had laid down any condition at the time of giving grants to the effect that the buildings constructed out of those grants should revert to the State in the eventuality of the school becoming non-existent. The representative stated that the Ministry would examine the suggestion.

11. The Committee enquired about the manner in which the balance of the Plan provision for the Public Schools would be utilised after the year 1957-58. The representative stated that it would be utilised for other development schemes for secondary or primary education.

General

12. The Committee enquired whether the question of exempting educational buildings from local taxes and contributions for the development of Secondary education from the operation of Income Tax Act, as suggested by the Secondary Education Commission had been discussed at the State Education Ministers Conference or in the meetings of the Central Advisory Board of Education. The representative stated that it had not been discussed as a separate item, but, it was considered by the Central Advisory Board of Education in its meeting held in February, 1954. He added that it had not progressed further. The Committee suggested that matter should be taken up further.

13. The Committee enquired about the feasibility of instituting a scheme for the insurance of teachers based on contributions from the Centre, State and the teachers. The representative stated that the Ministry would examine its feasibility.

14. The Committee enquired about the number of States which had agreed to increase the pay scales of Secondary School teachers by availing themselves of the Central subsidy for that purpose and whether efforts had been made to import a reasonable degree of uniformity in those pay-scales throughout the country. The representative stated that nine States had agreed to that effect. He added that 50 per cent was the Central assistance during the Second Plan period. To another question, the representative of the Ministry of Finance stated that the Ministry did not know the nature of assistance that would be given to States in the Third Plan.

15. Referring to the fact that the traditional type of Secondary Schools would continue to exist for a long time, the Committee enquired about the steps taken by the Ministry to integrate the curriculum of traditional schools with that at the basic stage in order to provide a smooth transition from one stage to the other. The representative stated that the question had to be viewed from the viewpoint of the availability of funds for the establishment of more post basic schools. He added that the Ministry had always emphasised the fact to the State authorities to bring about an integrated changeover.

16. The Committee enquired whether it would be feasible to open only the multipurpose schools wherever new Secondary Schools were to be opened. The representative stated that it was not possible to ensure that due to the dearth of equipment, trained staff and finances.

17. The Committee enquired about the reasons for the prevalence of corporal punishment in a large number of schools including those in Delhi. The representative stated that it was permissible in upper middle high schools in a restricted manner according to the Punjab Education Code which was applicable to Delhi. He added that such a provision existed in the Bombay Code also. The Committee suggested that the Ministry should examine the question and consider the feasibility of introducing legislation for banning corporal punishment to students all over the country.

18. In view of the accepted fact that the mental age of a child might be different from his physical age, the Committee enquired whether it would be fair to detain a student in the same class for one more year, merely on account of his under-age, though his progress in the class had been satisfactory. The representative stated that there could be some other method by which children might be allowed to stay on in the school doing something besides what they had learnt. The Committee suggested that some discretion might be given to the higher authorities in exceptional cases, to promote a child to the higher class, if its progress throughout the year was extremely satisfactory.

Extension Services

19. The Committee enquired whether the Assessment Committee for visiting and evaluating the work of the Extension Service Departments had been appointed. The representative stated that the Committee was being appointed and that the matter would be expedited.

20. The Committee observed that the Training Colleges had confined their extension activities largely to schools in urban areas and enquired about the nature of efforts made to make available the benefits of extension services to schools in rural areas as well. The representative stated that there were 52 Training Colleges which had not got extension Services. It was a fact that some of those colleges were in big cities and towns but each Training College covered rural schools also.

21. The Committee enquired how it was ensured that the Training Colleges having extension departments covered all schools in their jurisdiction. The representative stated that it was done from the reports of the visits of Field Officers and also from the programmes of work. The Committee suggested that the Ministry should work out the total time devoted by the Field Staff, separately for headquarters and for tours.

22. The Committee enquired whether there had been any long term plan to cover all the high and higher secondary schools in the country with extension activities in a given period of time. The representative stated that there was no long term plan and it was difficult to state as to when the whole country would be covered.

23. The Committee enquired whether the Ministry had considered the question of opening more extension service departments in partnership with the State Governments on matching basis and whether any effort had been made to evaluate the benefit accruing from extension services. The representative stated that 23 training colleges were covered in the year 1957. The Ministry had asked the State Governments, as a token of their participation in the scheme to contribute about Rs. 6,000 per year per Training College for covering the travelling and daily allowances of teachers who attended those extension service activities. Each College would get nearly Rs. 80,000 worth of equipment from the T.C.M. The Committee enquired whether it would be possible to cover all colleges by the end of the Second Plan. The representative stated that it would not be possible to do so but the Ministry would do that in the Third Plan.

Educational and Vocational Guidance

24. Referring to the fact that during the year 1957-58, no grants had been paid to State Governments for setting up State Educational and Vocational Guidance Bureau, the Committee enquired whether that fact denoted the lack of progress in the setting up of the Bureau. The representative stated that three States had received help during

the year 1957-58 and it was being extended to all States which had made adequate matching provision in their budgets.

25. The Committee observed that the Ministry had a good scheme in their hands with the necessary provision for its implementation. The Committee however suggested that the Ministry should carry out some evaluation of the work done by those bureaux and fix the criteria for the justification of their work.

Girls' Education

26. The Committee enquired about the central schemes for the promotion of girls' education at the secondary stage and the efforts made by the Ministry to encourage educated women to adopt the teaching profession. The representative stated that there were no such schemes at the secondary stage in the Second Five Year Plan due to the paucity of funds. The Committee suggested that the Ministry should make a move to work out the estimated cost of upgrading the girls schools in urban areas into high schools. The representative stated that the Ministry would take up that suggestion and put it to the States Governments.

The Committee adjourned at 17.15 hours.

XXVII
TWENTY SEVENTH SITTING

24th December, 1957

The Committee sat from 10·00 to 13·00 hours.

PRESENT

1. Shri Balvantray Gopaljee Mehta—*Chairman*

Members

2. Shri Satyendra Narayan Sinha
3. Shri Ranbir Singh Chaudhuri
4. Shri Gopalrao Khedkar
5. Shrimati Sucheta Kripalani
6. Shri J. Rameshwar Rao
7. Shri Ahmed Mohiuddin
8. Shri Raghubir Sahai
9. Pandit Dwarka Nath Tiwary
10. Shri R. L. Jangde
11. Shri N. C. Kasliwal
12. Shri Dodda Thimmaiah
13. Shri M. L. Dwivedi
14. Shri Shraddhakar Supakar

SECRETARIAT

Shri H. N. Trivedi—*Deputy Secretary.*

Shri R. P. Kaushik—*Under Secretary.*

WITNESSES

Representatives of the Ministry of Education and Scientific Research

Professor M. S. Thacker—*Secretary, Scientific Research and Technical Education.*

Shri G. K. Chandiramani—*Joint Educational Adviser.*

Shri L. S. Chandrakant—*Joint Educational Adviser.*

Shri G. P. Varma—*Budget Officer.*

Shri M. V. D. Nair—*Educational Officer.*

Representative of the Ministry of Finance

Shri Prem Narayan—*Deputy Financial Adviser.*

The Committee resumed their examination of the estimates of the Ministry of Education and Scientific Research relating to Technical Education.

General

2 Referring to the formulation of the policy of technological and engineering manpower requirements the Committee enquired whether the Ministry took into consideration the needs of subsequent Plan periods when technological and scientific work be undertaken on a larger scale and whether the Ministry could give an indication of the country's requirements in respect of technological and engineering personnel by the end of the Third Plan. The representative stated that the Ministry took into account the requirements not only of the Second Five Year Plan but the Third and the successive Plans also. The representative added that the Directorate of Manpower had been set up in the Ministry of Home Affairs to indicate the trends of requirements of technical manpower both on a quantitative and on a qualitative basis. They were carrying out a series of studies which would provide them very valuable indication as to the type of technical personnel needed for the coming five or ten years. The representative assured the Committee that the country would not be faced with the problem of the shortage of technical personnel required for the various schemes in the Third Plan.

3. The Committee suggested the formulation of a perspective plan for a period of about twenty years which would take into account various requirements of the country. The representative stated that the Ministry had established a Committee which had been functioning for evolving a perspective plan for the requirements of the scientific and technical personnel. The Committee had covered quite a lot of ground and they hoped to complete their work within the next few months.

4. The Committee referred to the question of the shortage of teachers in the technical line and enquired whether it would be possible to provide the new technological institutes with the type of teachers they required. The representative stated that the Ministry had taken several steps in that direction. Firstly, the Ministry had tried to tone up the teaching in the existing institutions by utilising a large proportion of scholarships offered by Germany for the training of teachers. Secondly, the Ministry had formulated a Scheme of Teaching Fellowships, which were available for training in the country in selected institutions.

5 The Committee enquired whether the Ministry had made a provision for trained teachers in the multi-purpose schools. The representative stated that it was not being done under the schemes enumerated by him. However, he added that the Technical Division of the Ministry would render proper advice to their sister Division of the Ministry in that regard.

6. The Committee enquired about the position of unemployment of technical personnel in the country. The representative stated that the number of unemployed technical personnel represented the figure of those students who had passed out from colleges. A detailed classification of those figures showed that those who had graduated three or five years or more were only about 3 to 4 per cent of the total number of candidates who had registered themselves. In the ultimate analysis, it was clear to the Ministry that the people who were unemployed were either those who had come out from colleges or those who were demanding very high salaries or those who were not acceptable anywhere.

7. The Committee enquired whether such information was available with the Directorate of Manpower in the Ministry of Home Affairs. The representative stated that the Ministry maintained a National Register which contained a record of persons who were already in employment and also of those who came out of the engineering and technological institutions and from the universities. The information was being continuously handed over to the Directorate of Manpower. Further, the Ministry was thinking of creating a pool of highly qualified people in India and also those who were abroad with a view to place them in their proper jobs.

8. The Committee enquired about the suitability of keeping the Directorate of Manpower under the Ministry of Home Affairs in preference to the Ministry of Education and Scientific Research. The representative stated that the work done by the Directorate of Manpower embraced other Ministries like the Ministry of Labour, Iron and Steel, Commerce and Industry etc., and that the decision to establish the Directorate under the Ministry of Home Affairs was taken at a high level. The representative added that the Ministry of Home Affairs was in a better position to undertake a follow-up of the placements made out of the Industrial Pool, because the Ministry was dealing with the recruitment and placements. If the Directorate were entrusted to the Ministry of Education and Scientific Research, they could undertake the training and the initial placement or initial recruitment only. There were some other advantages also in the present arrangements inasmuch as the directives issued by the Ministry of Home Affairs carried more weight.

9. The Committee enquired about the steps taken by the Ministry to remove the shortage of teachers and the broad features of the scheme for rationalising and upgrading salary scales of teachers of technical institutions, approved by the Co-ordinating Committee of the All India Council for Technical Education. The representative stated that the main bottleneck in attracting the right type of teachers and retaining them in the institutions was the salary scale as compared

to the scale obtaining in Government departments and industrial organisations for an equally trained person. The Co-ordinating Committee of the All India Council for Technical Education had suggested that the pay structure obtaining in technical institutions should compare favourably with the corresponding positions in the Industry or in Government departments. The Committee had also suggested that an allowance of Rs. 100 should be given to those working in Government departments, who preferred to take up the teaching profession.

10. The Committee enquired whether a tripartite conference of the Industry, Government Departments and the technical institutions would help preventing the drift of personnel from one organisation to another. The representative stated that he had discussed the matter with representatives of the industry and the industry had agreed not to take away the personnel as far as they related to the scientific personnel. The representative added that the 'flight' of personnel would be checked considerably after the revised pay scales came into effect. The representative however pointed out that unless the States Governments also subscribed to the proposed up-grading of pay scales, the efforts of the Central Government would not bear fruit. The Committee observed that the up-grading of scales was bound to have some repercussions in other spheres of life. However the Committee stressed the need for arriving at some common agreement between the Industry and the Government departments and the Technical institutions concerned. The representative stated that the Ministry would take the necessary steps in that direction and try to get a certain amount of agreement.

11. The Committee enquired whether the staff recruited for technical institutions possessed adequate industrial and practical experience required for teaching in technical institutions. The representative stated that they did have experience wherever there were adequate scales of pay. The Ministry had also put into effect the Scheme of Practical Training which had received a good response.

12. Referring to the services of 42 experts working in India under various Aid Programmes, besides the foreigners employed on the staff direct, the Committee enquired about the number of Indians who had benefited by working as under-studies to them. The representative stated that in every case one under-study had been appointed to the foreign expert. In several cases, two or three under-studies were trained by the American or British professors. The representative stated that there were about 150 to 160 persons trained by the foreign experts. The Committee stressed the need to ensure that the next man trained as the under-study to the foreign experts possessed the requisite qualifications etc. to take over from him. The representative stated that the Ministry would look into the matter.

13. The Committee desired to know the broad features of the Scheme for training of teachers and enquired when it would be implemented. The representative stated that it would be implemented at

the earliest possible date. He added that the number of trained teachers would be 500 by the end of the Plan. The Committee pointed out that the number would not suffice to meet even the requirements of the multi-purpose schools.

14. Having regard to the maximum possible utilisation of the existing facilities in engineering and technical institutions, the Committee enquired whether the Ministry had explored the possibility of encouraging the shift system in engineering and technical institutions with some adjustments. The representative stated that the system of expanded facilities was tried in some selected institutions. As a result of that experiment, the Ministry had secured an increase in the number of seats in the degree courses by 2000 and in the diploma courses by 4,000. About 19 engineering colleges and about 40 polytechnics were working on that basis.

15. Referring to the specifications of buildings for technical institutions, the Committee suggested that the Ministry might refer the matter to the Buildings, Team of the Committee on Plan Projects and ask them to give advice about the possibility of having those buildings at a lesser cost. The representative stated that the Ministry would do that.

16. The Committee enquired whether it was possible to hold a competitive examination for admission to the engineering and technical institutions. The representative stated that the Ministry would place the matter before the All India Council for Technical Education at their next meeting.

17. Referring to the observation of the Inter-University Board contained in their Memorandum to the Estimates Committee, the Committee desired to have the views of the Ministry and the steps taken by them to rectify the defects. The representative stated that the question was considered by the Joint Committee of the All India Council for Technical Education, the University Grants Commission and the Inter University Board and they made a number of recommendations, which the Ministry had taken note of.

18. Referring to the written reply of the Ministry to the effect that the Ministry was not aware of any technical training scheme at the pre-matriculation stage being conducted by different departments of the Central Government, the Committee enquired whether that indicated a certain lack of co-ordination between the different Central Ministries. The representative stated that those schemes were designed to train people who would be employed by the Ministries. The Committee pointed out that there should be some co-ordination between all those attempts in order to have a comprehensive scheme which would meet the requirements of the entire country. The representative stated that he subscribed to the views put forth by the Committee. He added that the idea of having a Central Co-ordinating agency was worth the consideration of the Government.

Second Five Year Plan

19. Referring to the amount of Rs. 40 lakhs provided in the Plan for the establishment of three specialised Central Institutions, the Committee enquired about their details. The representative stated that the revised amount was Rs. 25 lakhs. The institutions referred to therein were in Administrative Staff College, the Central Institute for Managerial Training and the Central Institute of Printing. The Administrative Staff College had been established already and it had started functioning. For the Institute of Management, detailed plans and proposals were ready. For the Printing School, a sub-committee was working out the details.

20. The Committee enquired about the number of persons to be trained in the Administrative Staff College. The representative stated that there would be 60 trainees each for three courses in a year, each of 12 weeks duration. He added that the tuition fees including board and lodging would be Rs. 800 per month per trainee. The Committee felt that the amount of fees fixed was excessive for a poor country like India and suggested that the College should be left entirely to the private industry for running and developing it.

21. The Committee referred to the amount of Rs. 30 lakhs provided in the Second Five Year Plan for the award of scholarships to students studying in engineering and technological institutions and enquired about the number of students who benefited from the Scheme. The representative stated that the Scheme had not been given effect to by the Ministry. The Committee expressed a surprise that this Scheme meant to benefit poor and meritorious students should not have yet been brought into operation though nearly two years of the Second Plan were over, and suggested that the matter should be expedited.

All India Council for Technical Education

22. The Committee enquired how far the All India Council for Technical Education had succeeded in establishing correlation between the standard of courses, admission, qualification and nomenclature of awards of technological and engineering courses run by different universities in the country and whether there was overlapping in the functions of the University Grants Commission and the Council. The representative stated that the Joint Committee of the Inter-University Board and the Council considered and decided those matters. The representative added that the University Grants Commission acted on the advice of the Council in the matter of Technical and engineering institutions and that there was no disagreement till then.

23. The Committee enquired whether the Ministry had reviewed the position about the status of the Council. The representative stated that in the year 1954, a proposal was mooted to give statutory powers to the Council. The proposal was discussed at great length and it was not accepted.

24. Referring to the fact that the universities in India did not permit the National Diploma holders or the National Certificate holders to undergo the degree course, the Committee enquired whether it was a sensible attitude on the part of the universities. The representative stated that there was a certain amount of conservatism about that. He added that the best course for the universities should be to have a special test for determining whether a boy was fit to join the engineering course or not. The All India Council for Technical Education had recommended to the universities that there should be a provision in their degree course for admission to those who had taken the diploma or the National Certificate, but only four of five universities had made that provision. The Committee suggested that it might be possible for the Ministry to secure an agreement through the University Grants Commission.

25. Referring to the fact that only a few institutions were affiliated to the Council, the Committee enquired about the reasons and sought the views of the Ministry. The representative stated that it was due to the lure for degrees amongst students. He added that the All India Council for Technical Education had decided to hold the examination of the National Certificate course by the State Boards of Technical Education. Gradually, as and when the State Boards were formed, the All India Council for Technical Education would not hold examinations for institutions affiliated in that particular State.

The Committee then adjourned till 14.30 hours.

XXVIII
TWENTY-EIGHT SITTING

24th December, 1957

The Committee sat from 14-30 to 17-15 hours.

PRESENT

1. Shri Balvantray Gopaljee Mehta—*Chairman.*

Members

2. Shri Gopalrao Khedkar.
3. Shri Ahmed Mohiuddin.
4. Shri Uma Charan Patnaik.
5. Shri Raghubir Sahai.
6. Shri R. L. Jangde.
7. Shri Dodda Thimmaiah.
8. Shri M. L. Dwivedi.
9. Shri Shraddhakar Supakar.

SECRETARIAT

Shri H. N. Trivedi—*Deputy Secretary.*

Shri R. P. Kaushik—*Under Secretary.*

WITNESSES

Representatives of the Ministry of Education and Scientific Research

Professor M. S. Thacker—*Secretary Scientific Research and Technical Education.*

Shri G. K. Chandiramani—*Joint Educational Adviser.*

Shri L. S. Chandrakant—*Deputy Educational Adviser.*

Shri G. P. Varma—*Budget Officer.*

Shri M. V. D. Nair—*Educational Officer.*

Representative of the Ministry of Finance

Shri Prem Narayan—*Deputy Financial Adviser.*

The Committee resumed their examination of the estimates of the Ministry of Education and Scientific Research relating to Technical Education.

2. Referring to the Resolution passed by the All India Council for Technical Education to the effect that the responsibility for co-ordinated development of technical education and training at all levels in respect of Junior Technical Institutions should be entrusted to the

Ministry of Education at the Centre, the Committee enquired about the reasons for its non-acceptance. The representative stated that the responsibility was being discharged by other Ministries, particularly, the Ministry of Labour and those Ministries considered that it should continue to remain with them. The Committee observed that it was the time to rationalise the whole thing with a view to achieving the object of co-ordination of all efforts.

3. The Committee desired to know about the action taken on the recommendations of the Joint Committee of the All India Council for Technical Education and the Inter-University Board which held its meeting on the 28th September, 1957. The representative stated that the matter would be considered by the All India Council for Technical Education, at a meeting which was scheduled to be held in February, 1958. In the meantime, the Board of Engineering Studies had started preparing a curriculum and syllabi for the five year course which would have to be introduced.

Regional Offices of the Ministry of Education

4. The Committee referred to the visit of the sub-Committee of the Estimates Committee to Calcutta and enquired whether the arrangement of representing the Central Government in the Eastern Region by the Assistant Educational Advisor on Managing Committees of 32 grant aided institutions ensured the satisfactory progress of the schemes of development, proper utilisation of the assistance provided by the Central and State Governments and for proper administration and management of the affairs of the institutions concerned. The representative stated that the Central Government was merely assisting institutions and not controlling them as such. The State Governments were also having adequate representation on those institutions and hence the Central Government held the view that it was not necessary for the Assistant Educational Adviser to attend all meetings but he should attend only those meetings where the Central Government came into the picture. The Ministry was however taking steps to strengthen the staff of the Regional Offices to cope up with the increase in the number of institutions.

5. The Committee enquired whether it would be feasible to have one Committee for each State or at least to begin with a group of two small States. The representative stated that the co-operation of the contiguous States forming a region had been very beneficial, especially to those States which needed some guidance. The Committee suggested the establishment of five Regional Offices on the analogy of the States Reorganisation Act. The representative stated that the matter was under the consideration of the All India Council for Technical Education.

6. The Committee invited the view of the Ministry regarding the replacement of the system of Regional Committees by States Committees. The representative stated that the States were having their own Boards of Technical Education over which the Central Government was represented.

7. In view of the existence of the All India Council for Technical Education, the Regional Committees and the State Boards, the Committee enquired about their functioning as a unified whole. The representative stated that the main function of the State Boards would be to conduct examinations for institutions which were outside the purview of universities in each State. The Regional Committees would examine the development programme of the Region as a whole and make recommendations to the All India Council for Technical Education for consideration. The Committee enquired whether it would be feasible to establish a direct contact between the Council and the State Boards instead of through the Regional Committees. The representatives stated that there was a great advantage in having a body like the Regional Committee, because the development programme, stipulating the participation by the Centre, had to be assessed by a member of the Committee who did not wholly belong to the State in which the development was to take place. The representative apprehended that the Scheme of Practical Training would receive a setback, if the work of the Regional Committees was taken over by the respective State Boards.

Practical Training Schemes

8. Referring to the Scheme of Practical Training the Committee suggested that there should be a drive to get as many seats as possible and that every student passing out of the degree or diploma course should be given some grounding in some of the reputed firms. The representative pointed out that civil engineering diploma holders secured jobs on their coming out of the colleges and they did not prefer to undergo the course of practical training. The Committee pointed out that the position could be improved by increasing the out-turn of engineers and also by giving higher start to those who had undergone a course of the practical training.

9. The Committee referred to the observations made by their sub-Committees that about 20 institutions, mostly in the public sector did not make any contribution towards the trainees, stipend under the Practical Training Scheme and enquired about its reasons. The representative stated that the reasons were mostly financial and procedural. He added that the public undertakings were having their own apprenticeship schemes on which they were spending a good amount. The representative however added that the Ministry would take up the question with those public undertakings.

10. The Committee referred to the observation of their sub-Committees that no track was kept after the period of training by the Regional Offices and enquired whether it was desirable to have some machinery to ensure that the trainees were employed in the occupation in which they were trained. The representative stated that it was done in the Western and Southern Regions in a restricted sense of the term. The actual follow-up after the period of practical training was not maintained anywhere. The representative added that

the ideal of the follow-up would be met with under the Scheme of the National Register for Technical and Scientific personnel.

11. Referring to the selection of trainees for the Practical Training Scheme, the Committee enquired whether there was a panel system of the selection of trainees. The representative replied in the affirmative. He added that in the actual practice there were some difficulties in making the final selection as many candidates did not turn up after conveying their acceptance of the offer. The Committee suggested that the Ministry should try the method of taking deposits from trainees who conveyed their acceptance of the offer. The representative promised to try that method.

12. Referring to the number of seats secured for the practical training, the representative stated that in each of the preceding three years, nearly 1000 training places were secured for the whole country. The number had been progressively increasing and it was nearly 1500 in the year 1957.

13. The Committee enquired about the reasons for non-availability of the Automobile Engineering course in the Eastern Region. The representative stated that so far as the degree courses were concerned, the basic degree should be the Mechanical Engineering degree and then there should be a course in automobile engineering at the post-graduate level. The Special Committee on post-graduate development had so far selected two institutions for post-graduate courses in automobile engineering viz., the Victoria Jubilee Technical Institute and the Indian Institute of Science, Bangalore. So far as the diploma courses were concerned, the All India Council had decided that the course in automobile engineering should be at the post diploma stage. A complete scheme in this respect was being worked out; and necessary facilities would be created.

Indian Institute of Technology, Kharagpur

14. The Committee enquired about the reasons for modifying the original plan of the Sarkar Committee in respect of the capacity of the Institute and whether it would be advisable to reassess the position with a view to increasing the number of students in the post-graduate classes. The representative stated that the main reason for modifying the original plan was the increased cost of equipment in the year 1951, when the Institute was established. The second factor which contributed to that modification was the unemployment among the engineers at that time. Giving reasons for a small number of post-graduate students in the Institute, the representative stated that graduates were not inclined towards the post-graduate courses due to the heavier employment demand in the country created by the growth of industries. Another reason, he added, was the lack of attractive scholarships.

15. The Committee enquired whether it would be feasible to reorient some of the courses to suit the industrial needs of the country. The representative stated that certain courses, which were not contemplated originally, had been started.

16. The Committee pointed out that there were teachers for certain post-graduate subjects for which there were no students or a very few students in the Institute. The representative explained that it would not be proper to close down the department merely on that account when there was a need for such courses in the country. He added that the extra spare capacity should be utilised by the teachers in doing their own original investigational work which would add to the knowledge in that field.

17. The Committee enquired about the reasons for conducting a special examination for the award of scholarships after a couple of months of the Entrance Examination and whether it would be possible to award scholarships on the results of the Entrance Examination. The representative stated that the Ministry would place the matter before the Board of Governors of the Institute.

The Delhi Polytechnic, Delhi

18. The Committee enquired whether it was feasible to separate non engineering and non-technological courses like Commerce, Cost and Works Accountants. Office Management, Institute of Bankers Part I and II, Advertisement and salesmanship etc. from purely engineering and technological courses in the Delhi Polythnic. The representative stated that the idea of starting those courses was to give a practical bias to the study of Commerce. The Committee felt that they did not see any justification for bringing in Commerce and such other allied subjects under the head 'technical subjects'. The Committee suggested that the Ministry should move in the matter and transfer those courses to the Delhi University.

19. The Committee enquired about the reasons for not holding a competitive examination for admission to the Delhi Polytechnic. The representative stated that the matter had been discussed with the authorities of the Delhi Polytechnic and the Ministry had asked them to introduce the competitive examination for admission to the institution.

The School of Town and Country Planning, Delhi

20. The Committee enquired whether diplomas and certificates awarded by the School of Town and Country Planning were recognised by the Central Government and the State Governments for the purpose of employment. The representative stated* that they were recognised by the Central Government and it was expected that the State Governments would follow suit.

21. The Committee enquired about the comparative standard of the Diploma and Certificate courses of the School of Town and Country Planning and the post-graduate course in Regional Planning (Town

*In forwarding the corrected copy of the varbatim proceedings, the Joint Educational Advisor corrected his earlier reply and stated that the matter was considered and referred to a special committee at the meeting of the Assessment Board.

and Country Planning) leading to the degree of M. Tech. of the Indian Institute of Technology, Kharagpur. The representative stated that the standard of the M. Tech. course conducted by the Indian Institute of Technology, Kharagpur was the same as that of the diploma course of the School of Town and Country Planning. He added that the Intensive Course was specially meant for those who were employed in the Town Planning work and those who wished to be profited by such a course. The representative further stated that the Indian Institute of Technology, Kharagpur was not taking a course of the type of the Intensive Course conducted by the School of Town and Country Planning.

22. The Committee enquired about the reasons for establishing the School of Town and Country Planning in Delhi and whether it could be shifted to some suitable place outside Delhi. The representative stated that there were a number of Members of the Institute of Town Planners in Delhi whose honorary service were made available to the School for giving instruction. He added that majority of those town planners numbering about 30 or 35* were in Delhi and that they were not available in Bombay or Calcutta.

23. The Committee enquired whether the project of construction of buildings for the School of Town and Country Planning could be held in abeyance due to the financial stringency. The representative stated that the construction work had been started already.

Printing Schools

24. The Committee enquired whether it was possible to augment the income of the Printing Schools by accepting job work from Government Departments. The representative stated that the Ministry would take up the matter with the Printing Schools.

25. The Committee referred to the non-availability of text books for the printing technology and enquired about the steps taken by the All India Council for Technical Education in that regard. The representative stated that the matter was engaging their attention.

26. Referring to the recommendation of the All India Council for Technical Education made in their tenth meeting in respect of the construction of staff quarters, the Committee enquired whether the Government had considered the matter. The representative stated that they had not done so due to the development of the situation which required them to reduce the building activities.

27. Referring to the observation made by the sub-Committees who visited Indian Institute of Technology, Kharagpur, the Committee enquired whether the spare capacity of the workshops could be utilised in some manner without impairing the efficiency of the teaching of degree courses. The representative stated that the spare capacity

*The representative of the Ministry later corrected the figures as "20 or 25."

could be used for training graduates which might be considered to be a legitimate activity.

25 The Committee enquired about the procedural delays in the recruitment of gazetted officers in the Delhi Polytechnic through the Union Public Service Commission. The representative stated that the Union Public Service Commission was not agreeable to treat as valid the panel of selectees recommended by them beyond the period of six months. The Committee suggested that the Ministry of Home Affairs should be moved to take up the matter with the Union Public Service Commission.

The Committee adjourned at 17.15 hours.

XXIX

TWENTY-NINTH SITTING

24th January, 1958

The Committee sat from 10-00 to 13-00 hours.

PRESENT

1. Shri Balvantray Gopaljee Mehta—*Chairman.*

Members

2. Shri Satyendra Narayan Sinha.
3. Shri Radha Charan Sharma.
4. Shri Ranbir Singh Chaudhuri.
5. Shri Gopalrao Khedkar.
6. Shrimati Sucheta Kripalani.
7. Shri M. Thirumala Rao.
8. Shri Amjad Ali.
9. Shri R. Ramanathan (Chettiar).
10. Shrimati Renuka Ray.
11. Shri Uma Charan Patnaik.
12. Shri Ranchhubir Sahai.
13. Pandit D. N. Tiwary.
14. Shri R. L. Jangde.
15. Shri N. C. Kasliwal.
16. Shri Dodda Thimmaiah.
17. Shri M. L. Dwivedi.
18. Shri R. K. Khadilkar.
19. Shri B. K. Gaikwad.
20. Shri A. E. T. Barrow.
21. Shri Shraddhakar Supakar.

SECRETARIAT

Shri H. N. Trivedi—*Deputy Secretary.*

Shri R. P. Kaushik—*Under Secretary.*

WITNESSES

Representatives of the Ministry of Education

1. Shri K. G. Saiyidain—*Secretary.*

2. Dr. A. M. D' Rozaria—*Joint Educational Adviser.*

3. Dr. R. K. Bhan—*Deputy Educational Adviser.*
4. Shri Lal Advani—*Asstt. Educational Adviser.*
5. Shri R. S. Krishnan—*Secretary, Central Social Welfare Board.*

Representatives of the Ministry of Finance

1. Shri D. S. Nakra—*Financial Adviser.*
2. Shri S. C. Bhatnagar—*Asstt. Financial Adviser.*

The Committee took up the examination of the estimates relating to the Central Social Welfare Board.

2. The Committee desired to know about the feasibility of making the Central Social Welfare Board a wing of the Ministry of Community Development, which was doing welfare work in rural areas. The representative was of the view that the social welfare work carried on by the Central Social Welfare Board was of a specialised nature. The Board dealt with not only the welfare extension projects in rural areas but also the establishment of After-care Homes and welfare projects in urban areas. The Central Social Welfare Board received co-operation from other Ministries like the Home and the Commerce and Industry. With all this in view, the Cabinet had decided to place the Central Social Welfare Board under the overall supervision of the Education Ministry which was concerned with other social welfare organisations in the country.

3. The representative further added that from the point of view of doing the work in a co-ordinated and effective manner, the Ministry of Community Development had considered it proper to place the money and personnel at the disposal of the Central Social Welfare Board. An effective co-ordination had also been sought to be achieved by representing the personnel of both the Ministries on the Project Implementation Committees. At the State and District levels also, the Development Commissioner and the Block Development Officer were represented in the State Board and other Committees. The Ministry of Community Development had greatly welcomed the setting up of the Central Social Welfare Board and had wanted that the work relating to Social Welfare may be taken over from the former by the latter.

4. The Committee stressed the view that it would be advantageous to entrust the work of welfare activities of women and children in rural areas to the Ministry of Community Development which was already carrying on similar work in block areas and that the Central Social Welfare Board should, like all non-official bodies, assist the Ministry of Community Development in the particular field in which it was specializing.

Standing Consultative Committee of Parliament

5. Asked to state the views of the Ministry regarding the setting up of a Standing Consultative Committee of Parliament for the Central Social Welfare Board, the representative stated that there was an informal Consultative Committee of Parliament, where questions pertaining to the Education Ministry in all its various divisions and branches could be discussed. So it was felt that there was not any special justification for having another Standing Committee. However, after a discussion he agreed that a small Committee to advise the Board and to review the matters might be useful to the Board.

Financial Powers of the Board.

6. The Committee were informed that the Board was empowered (a) to sanction grant not exceeding Rs. 15,000 per annum to any voluntary welfare institution, (b) to incur expenditure to any limit in regard to the scheme approved by Government, and (c) to create any post carrying a maximum pay upto Rs. 500 per month. All appointments upto the level of Assistants were made by the Chairman and posts above Assistants, upto Rs. 500 were made by a Standing Committee, which included some members of the Board, a representative of the Ministry of Finance and a representative of the Ministry of Education. Appointments were not made through the U.P.S.C. The employees of the Board were not treated as Government servants. The Committee suggested that it would be useful to evolve suitable machinery for recruiting staff for the various autonomous Boards etc. by the Government, if necessary, by associating members of the Union Public Service Commission, so that confidence of public in such bodies in the matter of appointments is maintained.

Welfare Departments and State Welfare Boards

7. The Committee were informed in reply to a query that it would not be possible to entrust the functions at present discharged by the State Welfare Boards to the State Welfare Departments. The State Welfare Boards were appointed in co-operation with the Central Social Welfare Board by the State Government. The Chairman of the State Board was chosen jointly by the Chief Minister and the Chairman of the Central Social Welfare Board. Elucidating the procedure, the representative stated that half the number plus one or two more was proposed by the Chairman, Central Social Welfare Board to the Chief Minister of the respective State who in turn proposed a panel of similar composition and one or two names for the chairmanship also. An agreed number was thereafter taken from there and the State Government notified the Board eventually.

8. The Committee suggest that a small Sub-Committee of the Central Social Welfare Board might be formed which should be consulted by the State Governments before nominating their names for the membership of the State Board. This would meet the objective of reserving the right of appointment to States and would at the same

time, ensure good selection. Regarding the position of State Board *vis-a-vis* State Welfare Departments, the representative of the Ministry informed the Committee that necessary co-ordination was achieved by the fact that the head of the State Welfare Department was usually the Chairman of the State Advisory Board. Further, complete merger of the two was not favoured by the State Governments. The Committee, however, suggested that the State Boards appointed in the manner earlier suggested may take charge of the Department instead of the latter being an independent organisation.

Tour of the Chairmen and Members of the Central and State Boards

9. The Committee were informed that some of the Chairmen spent on an average 5 to 6 months in a year in visiting the zones under their jurisdiction. They submitted reports to their respective Boards just as other members of the Central Board and the State Boards did. The Reports were discussed and the points raised considered in detail.

Powers of the Chairman and Secretary of the Central Social Welfare Board

10. The Committee were informed that the Chairman of the Central Social Welfare Board had powers to release funds for implementation of any scheme approved by the Board. She was also competent to sanction miscellaneous expenditure upto Rs. 5000 per item. She had powers to create posts upto the level of Technical Assistants. Secretary had powers to incur expenditure not exceeding Rs. 200 on contingencies. There had been no demand for any revision of powers.

Training

11. The Committee were informed that the Central Social Welfare Board did not run any training centres, but they utilised the Kasturba Trust Centres or the Health Ministry Centres, which had the necessary trained staff. The Kasturba Trust had about 20 centres spread over in various regions and training was imparted through the regional languages. With a view to increase the intake of trainees, Kasturba Trust had been requested to expand the training facilities, which was under their consideration.

12. The Committee suggested that training in family planning might be included in the syllabus of training of Gram Sevikas etc. or alternatively a week or two's special training in family planning may be given to them in some specialised institutions, so that they could take up the propaganda work in rural areas in addition to the technical advice being given by the Health Centres in villages. The Committee desired that there should be a perfect co-ordination in this regard with the Ministry of Health.

Number of Mid-wives

13. The Committee were informed that the Ministry of Health did not advise any increase in the present strength of mid-wives in

social welfare centres because that Ministry was going to establish primary health centres where they would provide one mid-wife and five *dais* for every group of 25 villages.

Work-load of Gram Sevikas

14. The Committee were informed that a Gram Sevika was in charge of one centre which covered five villages. In a block area there were 10 Gram Sevikas, 5 *dais*, 5 instructors and 8 balwadi teachers. The Central Social Welfare Board was of the view that the work-load of Gram Sevika was not too heavy. But the representative added that the matter could be looked into and reviewed.

15. The Committee suggested that the charge of the Gram Sevak might be reduced to 5 or 6 villages or that a Gram Sevika and Gram Sevak together could be in charge of 10 to 12 villages which would enable the former to concentrate on the welfare of women and children. The representative promised to examine the suggestion. The Chairman mentioned that there was another suggestion in the field *viz.* that remaining in a particular block, as she does, the Gram Sevika should shift her focus of intensive activity from group of one or two villages at a time to another so that the entire number of villages in that area can be given concentrated attention periodically. The representative stated that this suggestion would be examined.

Contribution from Public

16. The Committee enquired whether the Central Social Welfare Board was satisfied about the contribution made by the public in Welfare Extension Projects and were informed that the response, on the whole, was good although in several cases the contribution may have been below 25%. The contribution was not only in the form of cash but also in the form of physical labour and equipment.

Requirements of Gram Sevikas

17. The Committee were informed that about 750 Gram Sevikas were trained in the first batch. The second batch consisted of 700 Sevikas and the third batch had about 1,100. The total requirement of Gram Sevikas was about 12,000. In order to meet the estimated needs, attempts were being made to utilise the Home Economics wing and some other organisations. Promising workers, who had some practical experience were also proposed to be picked up and trained. It was pointed out that shortage of trained personnel was also experienced in Community Development Blocks. The representative promised to furnish a note to the Committee on the existing training facilities and the plan of training to meet the future requirements. The representative added that after considering various factors, he was inclined to agree that in order to staff the centres properly, the programme of their expansion may have to be staggered. The Committee suggested a special drive for recruitment of

women as *Dais* and Gram Sevikas may be launched in those parts where they were not normally forthcoming.

Budget of the Board

18. The Committee were informed that the budget of the Central Social Welfare Board was first prepared and approved by the Board. It was then sent to the Ministry of Education which examined it in consultation with the Ministry of Finance. The representative of the Ministry of Finance explained that his Ministry was generally represented on the Board of Management of autonomous bodies. Referring to the Central Social Board he added that the Board received the advice of the Financial Adviser to the Education Ministry who was also a member of the Board. The budget was scrutinised from the point of view of general financial outlay and the availability of financial resources. The Ministry of Finance did not undertake a detailed item-wise scrutiny of the budget but it was left to the administrative Ministry concerned. It was then put before the Finance Minister who gave his general approval in the context of the financial position of the country. If the Finance Ministry felt that the estimates were on the high side, the estimates were again sent to the Board who make necessary adjustment.

Contribution of the States

19. The Committee enquired whether attempts had been made by the Central Social Welfare Board to persuade the States which had not made adequate provision in their schemes for meeting their full share of expenditure on welfare extension projects to make good the same so that the target laid down was fully achieved. The representative of the Ministry informed the Committee that the Chairman of the Central Social Welfare Board as well as members of the State Advisory Boards had been in touch with State Governments. The results were, on the whole satisfactory.

Cost of Projects

20. The representative informed the Committee that the main reason for the increase in the cost of a social welfare project was due to the provision of some additional equipment, extension of the programme and also due to the increase in pay scales. In some cases, the projects started earlier, had purchased the equipment but in new projects, equipment had to be purchased, which contributed to a higher cost. The non-recurring cost of a project in the First Plan was about Rs. 8,000.

Crafts Taught in the Training Centres

21. The Committee were of the view that crafts taught in the various centres were of elementary nature and that the productive aspect was not given sufficient importance. They stressed the need for giving a thorough training in crafts. The representative of the Minis-

try stated that a specialised training to women might not be feasible as they were usually engaged in other activities. However, he added that a follow-up course for more intensive training could be started. Training in Ambar Charkha was not compulsory. So far as craft instructors were concerned there was complete co-ordination between the Social Welfare Board and the Khadi and Village Industries Commission and the Handicraft Board.

The Committee adjourned at 13.00 hours.

XXX
THIRTIETH SITTING

24th January, 1958

The Committee sat from 15.00 to 17.00 hours.

PRESENT

1. Shri Balvantray Gopaljee Mehta—*Chairman*

Members

2. Shri Satyendra Narayan Sinha
3. Shri Radha Charan Sharma
4. Shri Gopalrao Khedkar
5. Shri M. Thirumala Rao
6. Shri R. Ramanathan Chettiar
7. Shrimati Renuka Ray
8. Shri Uma Charan Patnaik
9. Shri Raghubir Sahai
10. Pandit Dwarka Nath Tiwary
11. Shri R. L. Jangde
12. Shri N. C. Kasliwal
13. Shri Dodda Thimmaiah
14. Shri M. L. Dwivedi
15. Shri R. K. Khadilkar
16. Shri B. K. Gaikwad
17. Shri Shraddhakar Supakar

SECRETARIAT

Shri H. N. Trivedi—*Deputy Secretary*

Shri R. P. Kaushik—*Under Secretary*

Representatives of the Ministry of Education and Scientific Research

Dr. A. M. D. Rozario—*Joint Secretary*

Dr. R. K. Pan—*Deputy Educational Adviser*

Shri Lal Advani—*Asstt. Educational Adviser*

Representative of the Central Social Welfare Board

Shri R. S. Krishnan—*Secretary.*

Representative of the Ministry of Finance

Shri D. S. Nakra—*Financial Adviser.*

The Committee resumed consideration of the estimates relating to the Central Social Welfare Board.

Attendance at Welfare Centres

2. The Committee learnt that no special steps had been taken by the Central Social Welfare Board to ensure steady attendance at the welfare centres. It was hoped that with the passage of time, people would realise the value of the work being done and then attendance would automatically increase. The representative of the Ministry, however, promised to see what further steps could be taken in that direction.

Location of the Centres

3. The Committee stressed the need to locate the welfare centre as far as possible in the village itself so that it might be easier for the villagers to take advantage of the facilities offered.

Projects Entrusted Entirely to Voluntary Organisations

4. The representative of the Ministry informed the Committee that out of twelve voluntary organisations which had so far offered to run welfare projects on their own, only four had been able to do so, the rest, having found themselves unable to raise the necessary contribution, withdrew the offers. In future, however, as the new projects would be in the Community Development Blocks, it would not be possible to entrust them to single agencies. Only in urban areas some pilot projects would be started, particularly in poorer sections *i.e.*, in slum areas. These would, as far as possible, be entrusted to single agencies.

Welfare Projects in Tribal Areas

5. The Committee also learnt that the Central Social Welfare Board had started 15 welfare projects in the intensive development blocks of the 'multipurpose type' in tribal areas as follows:—

Assam	.. 2
Bihar	.. 3
Bombay	.. 5
Madhya Pradesh	.. 5

6. The Committee, in this connection, stressed the need to entrust work in such areas to the Adivasi Mandals and other Adivasi organisations who had long experience of such work and who had actually braved heavy odds under the foreign rule rather than entrust it to the usual machinery *i.e.* the Project Implementing Committee. That way they could harness the best available people to this work, get the co-operation of the local people and also judge

their work in the light of success achieved in non-tribal areas so that there would be healthy competition which might do a lot of good to both. As, under the new scheme, it was not possible to entrust this work to single agencies, the Committee pleaded for a revision of the policy so that, as before, voluntary organisations could get full opportunity to show their mettle.

Impact of the recommendations of the Study Team on Community Projects and National Extension Services on the programme of the Central Social Welfare Board.

7. The Committee drew the attention of the representatives of the Ministry of Education and the Central Social Welfare Board to the recommendation of the study team on Community Projects and National Extension Services made recently that all welfare and developmental work in a Block should be entrusted to a block panchayat samiti which would be representative of all the village panchayats in the Block and desired to know whether the impact of the same had been studied with a view to see whether the Board would be prepared in future to entrust such work to the block panchayat samiti rather than to the Project Implementing Committee. As it was the most important recommendation of the study team which had been accepted by the Ministry of Community Development and generally endorsed by the Committee on Plan Projects the Central Advisory Committee of the Ministry of Community Development and the Standing Committee of the National Development Council, the Committee desired to know the views of the Central Social Welfare Board also in the matter as early as possible. The representative of the Ministry promised to place this matter at the meeting of the Board scheduled to be held on 25th February, 1958.

Simplification of the Procedure of Sanctioning Grants

8. Detailing the steps taken by the Central Social Welfare Board to simplify the procedure of sanctioning grants, the representative of the Central Social Welfare Board informed the Committee that now what an institution in need of grant was required to do was only to prepare a brief estimate of how it would spend the amount and specify its matching contribution for the purpose. If it had already obtained some sanction previously, it was required to send an account audited by a chartered accountant showing that the amount had been utilised for the intended purposes according to the conditions laid down. It was also necessary for the institution to get itself registered but the release of money was not held up if it was indicated that steps had been taken to get the institution registered. As it was found that audited accounts were not always received in time the Board had since agreed to release the first instalment for the next year's grant on the basis of an unaudited statement and the audited accounts could

be sent later. The State Boards had also been requested to get in touch with the Regional Councils of Chartered Accountants and try to arrange for a panel of chartered accountants who would audit the accounts of all the institutions in an area at a reasonable fee. In the case of smaller institutions, the question had been referred to the Auditor General whether auditing of their accounts by Chartered Accountants could be dispensed with. Further, the Board was prepared to send its inspectors or even Members of the Central and State Boards, to help them in preparing their estimates.

Service Standards

8. In regard to the grants sanctioned to 452 selected voluntary social welfare organisations to enable them to develop into model institutions, the Committee desired that some service standards might be laid down and an independent evaluation like the one undertaken by the study team or a self-evolving evaluation like that of the Programme Evaluation Organisation might be considered. The local district or municipal board machinery could also be utilised for the purpose.

Assistance by the State Governments

10. In regard to the question as to how far it was true that with the growing dependence of institutions on assistance from the Central Social Welfare Board, some State Governments had reduced the grants which they were previously giving, the representative of the Ministry promised to ascertain and furnish the required information later.

Medical and Maternity Aid by the Central Social Welfare Board

11. The representative of the Ministry admitted that grants were given by the Central Social Welfare Board for general medical aid as well as for maternity aid and aid for children. The Committee desired that the proper agency to do this was the Health Ministry and it would be better done by them. Duplication of activities could also be avoided thereby.

Assessment of the Working of the System of Grants-in-aid

12. The Committee learnt that the question of assessing the working of the system of grants-in-aid to voluntary institutions by an Expert Committee to be appointed by the Planning Commission was under consideration. It would be discussed further at the next meeting of the Central Social Welfare Board as also at the meeting of Chairmen of State Boards in April, 1958.

Publicity

13. Elucidating the reasons of rise in expenditure on publicity from Rs. 2,75,000 in 1957-58 to Rs. 3,30,000 (budget estimates) in 1958-59, the representative of the Ministry informed the Committee

that it was due to the fact that payments for documentaries prepared earlier were to be made in 1958-59. Regional publicity through State Boards was also expected to be started in all the States.

14. The Committee further learnt that the Central Social Welfare Board had no provision for projectors to screen the films. These were obtained from the Community Development Projects and the agencies of the Ministry of Information and Broadcasting.

15. The loss incurred by Government on the two magazines 'Social Welfare' and 'Samaj Kalyan' came to about Rs. 1,45,709 in 1956-57. The journals were not a commercial proposition and it was not, therefore, expected that they would, at any time, become self-supporting. The income from advertisements came to about Rs. 5,000 per year. As a measure of economy, it had now been decided to use cheaper quality of paper which would cut down the cost by about Rs. 1,000/- per month. The print order for 'Social Welfare' and 'Samaj Kalyan' was 5,200 and 4,200 respectively of which 3,300 and 2,500 were sold out. The Board considered these journals to be the two best sold Government journals and the expenditure thereon was an absolutely necessary item. The Committee suggested that these journals could perhaps be combined with Krukshetra which was a Community Projects organ. The representative of the Ministry promised to consider the suggestion.

16. The Committee further suggested that the journal should be sent to every university, college and high school in the country as also to the Community Development Blocks at concessional rates which step would undoubtedly give wide publicity to the programmes of the Board and would be welcomed by the youth of the country. Even the Railway bookstalls should be supplied all Government publications including these two, as a part of their contract so that the common man could know about the programmes of the Government.

Evaluation

17. The work of preliminary evaluation of the working of the welfare extension projects had been entrusted by the Planning Commission to Shrimati Iravati Karve of Poona University about three months back. It would take another three months for her to give her report after which more intensive survey was proposed to be carried out through the Programme Evaluation Organisation or a study team. The Committee doubted and the representatives of the Ministry and the Central Social Welfare Board shared their feelings, about the utility of such a preliminary survey and they thought that an expert body could straightway go into the job. The representative of the Ministry promised to ascertain from the Planning Commission the approximate expenditure involved in the preliminary survey.

Registration

18. Out of 5,000 institutions receiving grants from the Central Social Welfare Board, more than 60% had already got themselves registered and the remaining were in the process of doing so. The Ministry, however, promised to give figures of progressive registration from year to year during the last four years.

Family Planning

19. The Committee learnt that family planning was not an item of activity in the programme of the Central Social Welfare Board. The Committee thought that much could be done by the Central Social Welfare Board in this direction with the help of the family Planning Board and the Ministry of Health.

Craft Activities

20. The Committee suggested that the help of the various Boards created by Government, *viz.*, the Khadi and Village Industries Commission, the Handloom Board etc. should be enlisted to raise the standard of craft teaching in the Welfare Centres as also for training craft instructors.

After-care Homes

21. In view of the fact that four Central Ministries *viz.*, those of Home Affairs, Commerce & Industry, Labour and Employment and Health gave grants for establishment of after-care homes, which caused confusion in the minds of the people, the Committee suggested that one single agency should be put in charge of this work and the entire allotment of Rs. 9.50 crores in the Second Plan for this purpose should be handed over to it.

Welfare of the Physically Handicapped

22. The Seminars on the Employment of the Blind and Education of the Deaf held at Mussoorie in April and September, 1957 respectively recommended that the Central Social Welfare Board should give more generous grants to those institutions which wished to establish nursery schools for the physically handicapped and that some production units intended for the handicapped should be attached to after-care homes. In regard to the first, the Board was already giving more grants than in the past and in regard to the latter no production unit had so far been established. Information with regard to the local crafts was being obtained. Besides, a survey of the experience and training of those handicapped persons who wanted to be so employed would also have to be carried out. As soon as this was done, it would be possible to establish one or two experimental units.

Local Leadership

23. As far as possible, local women were being prepared to take over welfare work as their own responsibility, that being the ultimate end in view. However, whereas it was easy in some areas which were quite advanced, it was not so in others which were very backward. The Committee thought that a greater drive in such areas would be necessary.

Helping Lower Income Groups

24. In order to help women of lower income groups to supplement their income, the Small Scale Industries Corporation had agreed to give sewing machines on a hire-purchase basis, the value being recovered in instalments. The first instalment was of Rs. 25 and subsequent ones of Rs. 5 per month. The Committee suggested that the same could be done with Ambar Charkhas with the help of the Khadi Commission. One difficulty in that regard was, the Committee were informed, in respect of having first some trained instructors before they could proceed selling Charkhas in larger numbers. The Commission had offered to train some people in their own centres while it was also proposed to include this training in the training for Gram Sevikas. Thereafter, it would be possible to give Ambar Charkhas in larger numbers.

25. Besides, there were five units which were engaged in the production of matches. One of these was in Delhi, two in Hyderabad, one in Vijaywada and one in Poona. The capacity of each was 500 people whereas the cost, including land and building, came to about Rs. 2½ lakhs. In Poona, with the help of Kirloskars, a small unit for producing small parts for their electric motors and oil engines had also been set up. The Committee suggested that some more activities could be thought of with the help of the Khadi Commission and the Commerce and Industry Ministry.

Preference to Widows and Destitutes

26. The Committee were assured that widows and destitute women were always given preference in the matter of recruitment for various categories of staff in the State Boards and the Project Implementing Committee provided they had the minimum qualifications. Special preference was given to those coming from Scheduled Castes and Scheduled Tribes.

The Committee adjourned at 17·00 hours.

XXXI

THIRTY-FIRST SITTING

25th January, 1958.

The Committee sat from 14.30 hours to 15.50 hours.

PRESENT

1. Shri Balvantray G. Mehta—*Chairman*

Members

2. Shri Mahavir Tyagi
3. Shri Satyendra Narayan Sinha
4. Shri Radha Charan Sharma
5. Shri Gopalrao Khedkar
6. Shrimati Sucheta Kripalani
7. Shri R. Ramanathan Chettiar
8. Shri Ahmed Mohiuddin
9. Shrimati Renuka Ray
10. Shri Uma Charan Patnaik
11. Shri Raghubir Sahai
12. Pandit Dwarka Nath Tiwary
13. Shri R. L. Jangde
14. Shri N. C. Kasliwal
15. Shri Dodda Thimmaiah
16. Shri V. P. Nayar
17. Shri R. K. Khadilkar
18. Shri Shraddhakar Supakar.

Secretariat

1. Shri A. R. Shirali—*Deputy Secretary*
2. Shri C. S. Swaminathan—*Under Secretary*

Non-official witness

1. Shri D. R. Gadgil, Director, Gokhale Institute of Economics & Politics, Poona.

BUDGETARY REFORM

Prof. D. R. Gadgil appeared before the Committee as a non-official witness and tendered evidence on certain aspects of budgetary reform.

Analysis of Economic Data in the Budget

2. Amplifying the suggestion made by him in the memorandum submitted earlier, that the Budget proposals should be based on the total economic situation in the country and the operative trends in it, the witness stated that in a planned economy mere presentation of statistical data was not of much use unless an analysis or interpretation of the same was also given along with it. Even though he was glad to notice some improvement in the preparation of the Central Budget with the introduction of an economic classification since last year, he felt that it did not go far enough to be of use as it failed to give any interpretation of the data contained therein. In this connection he thought that it was good to emulate the example of the U.S.A. where the President, on the basis of the advice tendered to him through the six-monthly reports of the Economic Advisory Council, presented a report to the Joint Committee of the Houses, in which he also gave a policy interpretation of the economic analysis made in the six-monthly reports, thus facilitating a proper discussion of the entire Budget proposals by that Committee.

3. He cited the present foreign exchange difficulties in the country as an example of the undesirable results that flowed from lack of such analysis or interpretation of the economic data. He contended that even in regard to the private sector, considerable information was at present available through the machinery of capital issue control, company management administration, licensing of new establishments, import/export licensing, etc., but no attempt was being made by Government to collate all this information and give an interpretation of the same. As compared to several other under-developed countries, he thought that India possessed a fairly good machinery for collecting statistical information.

4. Asked whether a panel of economists like the one in the Planning Commission could do such an analysis, he stated that it was desirable to have it done by Government economists who had a more intimate knowledge of the policies of Government rather than by a panel of economists who could only give an outsider's view of the position. He felt that such an analysis could be made once in six months and presented separately to the House. He added that it would help make the Budget more intelligible to the public if national economic data and certain minimum information about the operation of State Budgets were also included in that volume.

Presentation of the Budget

5. The witness did not think it proper that separate Budgets might be presented for certain Ministries or groups of Ministries such as Communications, Defence, Commerce and Industry, etc., on the lines of the Railway Budget. He stated that even in the case of the Railways, the only argument that might be adduced in justification thereof was that the Railways were more of a business undertaking than

a Government Department. He favoured, however, separate review being given by Ministries in respect of their own Departments.

Parliamentary Control over Public Undertakings

6. In the matter of increasing the present Parliamentary control over public undertakings, the witness did not think that any advantage would be gained merely by having one or two Members of Parliament nominated or elected as observers for each such undertaking unless a method was evolved whereby the observers could render their reports to Parliament. Instead he thought it better to get as much information as possible directly from the undertakings themselves. He felt that this objective could be gained if periodical reports were presented to Parliament giving full information on the activities of these undertakings, more or less synchronising with the six-monthly economic analysis referred to earlier, so that Members of Parliament might have an opportunity of expressing their views on them.

7. Questioned whether it would be advisable to bring all public undertakings under the charge of a single Minister in order to achieve better Parliamentary control over their activities, the witness stated that due to the varied nature of the problems involved in the activities of these undertakings, *e.g.* Khadi Commission, Reserve Bank of India, etc., it would be extremely difficult for one Ministry to handle all of them. He was of the opinion that each undertaking should be placed under the charge of the appropriate Minister in accordance with the nature of its activities.

8. Asked whether a method could be devised whereby Parliament could exercise the same extent of control over public undertakings as it did over Government Departments, the witness answered in the negative as, in his opinion, activities where Government was directly concerned and over which Government should have full financial control were being run as Government Departments while others where a certain measure of freedom from political influence was considered desirable were being run as public undertakings.

Parliamentary Control over Loans and Grants to States

9. The witness was of the view that the most appropriate occasion for exercising scrutiny over the financial assistance given to States by way of loans and grants was during the discussion of the total economic analysis, wherein the States finances, a resume of the States budgets and a report on the progress of the Plan projects in the States would find a place.

'Performance' Budgeting

10. A performance type of budget did not find favour with the witness. He stated that he was aware of the fact that reviews were being undertaken at present by the Planning Commission or the project authorities in respect of a few selected projects in order to assess the

extent of physical achievements made in relation to the monetary expenditure incurred thereon, but he considered that an improvement in this regard was necessary so that a comprehensive review might be prepared and presented to Parliament showing the physical progress made on all projects undertaken by Government. For this purpose he saw the need for devising a suitable machinery in the first instance to make a proper evaluation of the achievements made.

Borrowing Powers of the Executive

11. Although the Constitution envisaged a legislation for laying down the limits of borrowing by Government, the witness did not think that such a step would in any way add to parliamentary control in this regard because he felt that Parliament already exercised such control at the time of passing the Budget when the Finance Minister invariably indicated the total resources available in the country and the amount that would have to be borrowed to meet the expenditure during the year.

Annual Lapse of Grants

12. On the question of lapse of grants at the end of the financial year, the witness thought that merely by making them non-lapsable, one could not avoid inefficiency or wastage of funds. On the other hand, he felt that sometimes the doctrine of lapse acted as a spur or inducement, and even put some pressure on the general run of administrators to proceed with their work efficiently. In any case, in his opinion, the six-monthly economic evaluation by competent authorities would meet the situation and there was no need to make the grants non-lapsable.

Financial Year

13. The witness was quite satisfied with the existing financial year and did not see any overwhelming reasons warranting a change in it.

The Committee then adjourned.

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